



Reprinted
January 31, 2014

HOUSE BILL No. 1266

DIGEST OF HB 1266 (Updated January 30, 2014 3:47 pm - DI 103)

Citations Affected: IC 5-3; IC 5-28; IC 6-1.1; IC 10-19; IC 22-14; IC 36-1; IC 36-4; IC 36-5; IC 36-7; IC 36-8; noncode.

Synopsis: Local government finance issues. Provides that public utility property tax returns shall be filed in the manner prescribed by the department of local government finance (DLGF). Allows a railroad car company to file its return by July 1 (rather than May 1). Authorizes a public utility company to file an amended return. Provides that the penalty assessed on a public utility company for filing a late return may not exceed \$1,000. Provides that if the DLGF assesses the property of a public utility company because the public utility company does not file a return, the public utility company may file a return with the DLGF and the DLGF may amend its assessment. Provides that if, after an assessment date, an exempt property is transferred or its use is changed resulting in its ineligibility for an exemption, the county assessor shall terminate the exemption for that assessment date. Specifies that if the property remains eligible for an exemption following the transfer or change in use, the exemption shall be left in place for that assessment date. Provides that for the following assessment date, the person that obtained the exemption or the current owner of the property shall file an application with the county assessor. Requires applications for certain property tax deductions to be
(Continued next page)

Effective: Upon passage; July 1, 2014.

Leonard

January 14, 2014, read first time and referred to Committee on Ways and Means.
January 28, 2014, amended, reported — Do Pass.
January 30, 2014, read second time, amended, ordered engrossed.

HB 1266—LS 6991/DI 73



completed and dated in the calendar year for which the taxpayer wishes to obtain the deduction and to be filed with the county auditor on or before January 5 of the immediately succeeding calendar year. Provides that a petition to correct error must be filed within three years after the taxes were first due. Requires a public library that is governed by an appointed board, has a taxing district located within at least two counties, and has total annual appropriations of at least \$2,000,000 to obtain, from the appropriate county, city, or town fiscal body, binding approval of the public library's budget and tax levies. (This binding approval is also required under current law if the public library's budget increases by more than the assessed value growth quotient.) Requires a political subdivision to submit to the DLGF information concerning the adoption of budgets and tax levies using the DLGF's computer gateway (rather than publish the information in a newspaper). Requires the DLGF to make this information available to taxpayers through its computer gateway and provide a telephone number through which taxpayers may request copies of a political subdivision's information. Specifies that for taxes due and payable in 2015 and 2016, each county shall publish a notice stating the Internet address at which the budget information is available and the telephone number through which taxpayers may request copies of a political subdivision's budget information. Allows counties to seek reimbursement from the political subdivisions in the county for the cost of the notice. Provides that if a political subdivision timely submits the budget information to the DLGF's computer gateway but subsequently discovers the information contains a typographical error, the political subdivision may request permission from the DLGF to submit amended information. Specifies the conditions under which the DLGF shall increase a political subdivision's tax levy to an amount that exceeds the amount originally advertised or adopted by the political subdivision. Provides that if the DLGF increases a tax levy under this provision, the DLGF shall reduce the levy for each fund affected below the maximum allowable levy by the lesser of: (1) 5% of the difference between the advertised or adopted levy and the increased levy; or (2) \$100,000. Allows DeKalb County and the town of Middlebury to borrow money to offset levy reductions made by the department of local government finance because budget and property tax levy information were not properly advertised. Eliminates the provision added in 2013 that specifies that the exemption from the property tax levy limits for property taxes to pay debt does not apply to property taxes imposed by a township to repay money borrowed under the emergency loan provisions. Specifies that the balance maintained by the provider unit of a fire protection territory may not exceed 120% of the budgeted expenses of the territory. Establishes the public safety equipment revolving loan fund (loan fund) to provide loans to qualified purchasers to purchase public safety equipment. Provides that the division of preparedness and training within the department of homeland security shall administer the fund. Repeals an obsolete provision concerning the abolishment of the firefighting and emergency equipment revolving loan fund (firefighting fund). Transfers from the fire training infrastructure fund to the loan fund an amount equal to the amount of loans outstanding from the firefighting fund (before its repeal) that were repaid to the fire training infrastructure fund after the repeal of the firefighting fund. Provides that revenue from certain charges imposed by volunteer fire departments may be used to repay a loan from the loan fund. Specifies that the requirements concerning reporting of other post employment benefits (OPEB) information to the DLGF apply only to political subdivisions that complete a comprehensive annual financial report. Requires the OPEB information to be reported not later than 30 days after OPEB analysis is completed. Specifies certain information that must be included in a redevelopment commission's annual report. Requires redevelopment commissions to hold an annual hearing at

(Continued next page)



which the commission determines the amount of excess assessed value, determines the tax increment replacement amount, and presents an estimate of tax increment revenues and financial obligations for the ensuing year. Provides that a redevelopment commission may not adopt a proposed resolution to establish or enlarge a tax increment financing area in such a manner that, if the resolution were adopted: (1) the aggregate area included in tax increment financing areas within the county would exceed a percentage of the area of the county; or (2) the aggregate base assessed value included in tax increment financing areas in the unit would exceed a percentage of the assessed value of property in the county; unless each taxing unit that is located in the tax increment financing area approves the establishment or modification of the tax increment financing area by resolution. Defines "designated taxing unit" for purposes of redevelopment areas in Marion County.



Reprinted
January 31, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1266

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-3-1-2, AS AMENDED BY P.L.141-2009,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 2. (a) This section applies only when notice of an
4 event is required to be given by publication in accordance with this
5 chapter.
6 (b) If the event is a public hearing or meeting concerning any matter
7 not specifically mentioned in subsection (c), (d), (e), (f), (g), or (h)
8 notice shall be published one (1) time, at least ten (10) days before the
9 date of the hearing or meeting.
10 (c) If the event is an election, notice shall be published one (1) time,
11 at least ten (10) days before the date of the election.
12 (d) If the event is a sale of bonds, notes, or warrants, notice shall be
13 published two (2) times, at least one (1) week apart, with:
14 (1) the first publication made at least fifteen (15) days before the

HB 1266—LS 6991/DI 73



date of the sale; and

(2) the second publication made at least three (3) days before the date of the sale.

(e) If the event is the receiving of bids, notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least seven (7) days before the date the bids will be received.

(f) If the event is the establishment of a cumulative or sinking fund, notice of the proposal and of the public hearing that is required to be held by the political subdivision shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the date of the hearing.

(g) If the event is the submission of a proposal adopted by a political subdivision for a cumulative or sinking fund for the approval of the department of local government finance, the notice of the submission shall be published one (1) time. The political subdivision shall publish the notice when directed to do so by the department of local government finance.

(h) If the event is the required publication of an ordinance, notice of the passage of the ordinance shall be published one (1) time within thirty (30) days after the passage of the ordinance.

(i) If the event is one about which notice is required to be published after the event, notice shall be published one (1) time within thirty (30) days after the date of the event.

(j) If the event is anything else, notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the event.

(k) If any officer charged with the duty of publishing any notice required by law is unable to procure advertisement:

(1) at the price fixed by law;

(2) because the newspaper refuses to publish the advertisement;
or

(3) because the newspaper refuses to post the advertisement on the newspaper's Internet web site (if required under section 1.5 of this chapter);

it is sufficient for the officer to post printed notices in three (3) prominent places in the political subdivision, instead of publication of the notice in newspapers and on an Internet web site (if required under section 1.5 of this chapter).

~~(4) If a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and the published notice contains an error due to the fault of a newspaper, the notice as presented for publication is a valid notice under this chapter.~~



(m) Notwithstanding subsection (j); if a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and if the notice is not published at least ten (10) days before the date fixed for the public hearing on the budget estimate due to the fault of a newspaper; the notice is a valid notice under this chapter if it is published one (1) time at least three (3) days before the hearing.

SECTION 2. IC 5-3-1-2.3, AS AMENDED BY P.L.169-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.3. (a) A notice published in accordance with this chapter or any other Indiana statute is valid even though the notice contains errors or omissions, as long as:

- (1) a reasonable person would not be misled by the error or omission; and
- (2) the notice is in substantial compliance with the time and publication requirements applicable under this chapter or any other Indiana statute under which the notice is published.

(b) This subsection applies if:

- (1) a county auditor publishes a notice concerning a tax rate, tax levy, or budget of a political subdivision in the county;
- (2) the notice contains an error or omission that causes the notice to inaccurately reflect the tax rate, tax levy, or budget actually proposed or fixed by the political subdivision; and
- (3) the county auditor is responsible for the error or omission described in subdivision (2).

Notwithstanding any other law, the department of local government finance may correct an error or omission described in subdivision (2) at any time. If an error or omission described in subdivision (2) occurs, the county auditor must publish, at the county's expense, a notice containing the correct tax rate, tax levy, or budget as proposed or fixed by the political subdivision.

SECTION 3. IC 5-28-15-14, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) A U.E.A. shall do the following:

- (1) Coordinate zone development activities.
- (2) Serve as a catalyst for zone development.
- (3) Promote the zone to outside groups and individuals.
- (4) Establish a formal line of communication with residents and businesses in the zone.
- (5) Act as a liaison between residents, businesses, the municipality, and the board for any development activity that may affect the zone or zone residents.

(b) A U.E.A. may do the following:



(1) Initiate and coordinate any community development activities that aid in the employment of zone residents, improve the physical environment, or encourage the turnover or retention of capital in the zone. These additional activities include but are not limited to recommending to the municipality the manner and purpose of expenditure of funds generated under ~~IC 36-7-14-39(g)~~ **IC 36-7-14-39(j)** or ~~IC 36-7-15.1-26(g)~~ **IC 36-7-15.1-26(h)**.

(2) Recommend that the board modify a zone boundary or disqualify a zone business from eligibility for one (1) or more benefits or incentives available to zone businesses.

(3) Incorporate as a nonprofit corporation. Such a corporation may continue after the expiration of the zone in accordance with the general principles established by this chapter. A U.E.A. that incorporates as a nonprofit corporation under this subdivision may purchase or receive real property from a redevelopment commission under IC 36-7-14-22.2 or IC 36-7-15.1-15.2.

(c) The U.E.A. may request, by majority vote, that the legislative body of the municipality in which the zone is located modify or waive any municipal ordinance or regulation that is in effect in the zone. The legislative body may, by ordinance, waive or modify the operation of the ordinance or regulation, if the ordinance or regulation does not affect health (including environmental health), safety, civil rights, or employment rights.

(d) The U.E.A. may request, by majority vote, that the board waive or modify any state rule that is in effect in the zone. The board shall review the request and may approve, modify, or reject the request. Approval or modification by the board shall take place after review by the appropriate state agency. A modification may include but is not limited to establishing different compliance or reporting requirements, timetables, or exemptions in the zone for a business or an individual, to the extent that the modification does not adversely affect health (including environment health), safety, employment rights, or civil rights. An approval or a modification of a state rule by the board takes effect upon the approval of the governor. In no case are the provisions of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

SECTION 4. IC 6-1.1-8-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. **(a)** Each year a public utility company shall file a statement concerning the value and description of the property which is either owned or used by the company on the assessment date of that year. The company shall file this statement with the department of local government finance ~~on the~~



1 ~~form in the manner~~ prescribed by the department. The department of
 2 local government finance may extend the due date for a statement.
 3 Unless the department of local government finance grants an extension,
 4 a public utility company shall file its statement for a year:

5 (1) on or before March 1st of that year unless the company is a
 6 railroad car company; or

7 (2) on or before ~~May~~ **July** 1st of that year if the company is a
 8 railroad car company.

9 **(b) A public utility company may, not later than sixty (60) days**
 10 **after filing a valid and timely statement under subsection (a), file**
 11 **an amended statement:**

12 **(1) for distribution purposes;**

13 **(2) to correct errors; or**

14 **(3) for any other reason, except:**

15 **(A) obsolescence; or**

16 **(B) the credit for railroad car maintenance and**
 17 **improvements provided under IC 6-1.1-8.2.**

18 SECTION 5. IC 6-1.1-8-20 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) If a public utility
 20 company does not file a statement with the department of local
 21 government finance on or before the date prescribed under section 19
 22 of this chapter, the company shall pay a penalty of one hundred dollars
 23 (\$100) per day for each day that the statement is late. **However, a**
 24 **penalty under this subsection may not exceed one thousand dollars**
 25 **(\$1,000).**

26 (b) The department of local government finance shall notify the
 27 attorney general if a public utility company fails to file a statement on
 28 or before the due date. The attorney general shall then bring an action
 29 in the name of this state to collect the penalty due under this section.

30 (c) The state auditor shall deposit amounts collected under this
 31 section in the state treasury for credit to the state general fund.

32 SECTION 6. IC 6-1.1-8-22 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. **(a)** The department
 34 of local government finance shall assess the property of a public utility
 35 company based upon the information available to the department if the
 36 company:

37 (1) does not file a statement which is required under section 19 of
 38 this chapter;

39 (2) does not permit the department to examine the company's
 40 property, books, or records; or

41 (3) does not comply with a summons issued by the department.

42 ~~An assessment which is made by the department of local government~~



1 finance under this section is final unless the company establishes that
 2 the department committed actual fraud in making the assessment.

3 **(b) A public utility company may provide the department with**
 4 **a statement under section 19 of this chapter not later than one (1)**
 5 **year after the department makes the department's assessment**
 6 **under this section. If a public utility company does so, the**
 7 **department may amend the assessment it makes under this section**
 8 **in reliance on the public utility company's statement filed under**
 9 **this subsection.**

10 SECTION 7. IC 6-1.1-11-4, AS AMENDED BY P.L.173-2011,
 11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2014]: Sec. 4. (a) The exemption application referred to in
 13 section 3 of this chapter is not required if the exempt property is owned
 14 by the United States, the state, an agency of this state, or a political
 15 subdivision (as defined in IC 36-1-2-13). However, this subsection
 16 applies only when the property is used, and in the case of real property
 17 occupied, by the owner.

18 (b) The exemption application referred to in section 3 of this chapter
 19 is not required if the exempt property is a cemetery:

20 (1) described by IC 6-1.1-2-7; or

21 (2) maintained by a township executive under IC 23-14-68.

22 (c) The exemption application referred to in section 3 of this chapter
 23 is not required if the exempt property is owned by the bureau of motor
 24 vehicles commission established under IC 9-15-1.

25 (d) The exemption application referred to in section 3 or 3.5 of this
 26 chapter is not required if:

27 (1) the exempt property is:

28 (A) tangible property used for religious purposes described in
 29 IC 6-1.1-10-21;

30 (B) tangible property owned by a church or religious society
 31 used for educational purposes described in IC 6-1.1-10-16;

32 (C) other tangible property owned, occupied, and used by a
 33 person for educational, literary, scientific, religious, or
 34 charitable purposes described in IC 6-1.1-10-16; or

35 (D) other tangible property owned by a fraternity or sorority
 36 (as defined in IC 6-1.1-10-24).

37 (2) the exemption application referred to in section 3 or 3.5 of this
 38 chapter was filed properly at least once for a religious use under
 39 IC 6-1.1-10-21, an educational, literary, scientific, religious, or
 40 charitable use under IC 6-1.1-10-16, or use by a fraternity or
 41 sorority under IC 6-1.1-10-24; and

42 (3) the property continues to meet the requirements for an



1 exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or
 2 IC 6-1.1-10-24.

3 A change in ownership of property does not terminate an exemption of
 4 the property if after the change in ownership the property continues to
 5 meet the requirements for an exemption under IC 6-1.1-10-16;
 6 IC 6-1.1-10-21; or IC 6-1.1-10-24. However, if title to any of the real
 7 property subject to the exemption changes or any of the tangible
 8 property subject to the exemption is used for a nonexempt purpose after
 9 the date of the last properly filed exemption application; the person that
 10 obtained the exemption or the current owner of the property shall notify
 11 the county assessor for the county where the tangible property is
 12 located of the change in the year that the change occurs. The notice
 13 must be in the form prescribed by the department of local government
 14 finance. If the county assessor discovers that title to property granted
 15 an exemption described in IC 6-1.1-10-16; IC 6-1.1-10-21; or
 16 IC 6-1.1-10-24 has changed; the county assessor shall notify the
 17 persons entitled to a tax statement under IC 6-1.1-22-8.1 for the
 18 property of the change in title and indicate that the county auditor will
 19 suspend the exemption for the property until the persons provide the
 20 county assessor with an affidavit, signed under penalties of perjury, that
 21 identifies the new owners of the property and indicates that the
 22 property continues to meet the requirements for an exemption under
 23 IC 6-1.1-10-21; IC 6-1.1-10-16; or IC 6-1.1-10-24. Upon receipt of the
 24 affidavit; the county assessor shall reinstate the exemption for the years
 25 for which the exemption was suspended and each year thereafter that
 26 the property continues to meet the requirements for an exemption under
 27 IC 6-1.1-10-21; IC 6-1.1-10-16; or IC 6-1.1-10-24.

28 (e) If, after an assessment date, an exempt property is
 29 transferred or its use is changed resulting in its ineligibility for an
 30 exemption under IC 6-1.1-10, the county assessor shall terminate
 31 the exemption for that assessment date. However, if the property
 32 remains eligible for an exemption under IC 6-1.1-10 following the
 33 transfer or change in use, the exemption shall be left in place for
 34 that assessment date. For the following assessment date, the person
 35 that obtained the exemption or the current owner of the property,
 36 as applicable, shall, under section 3 of this chapter and except as
 37 provided in this section, file a certified application in duplicate with
 38 the county assessor of the county in which the property that is the
 39 subject of the exemption is located. In all cases, the person that
 40 obtained the exemption or the current owner of the property shall
 41 notify the county assessor for the county where the tangible
 42 property is located of the change in ownership or use in the year



1 that the change occurs. The notice must be in the form prescribed
2 by the department of local government finance.

3 (f) If the county assessor discovers that title to or use of
4 property granted an exemption under IC 6-1.1-10 has changed, the
5 county assessor shall notify the persons entitled to a tax statement
6 under IC 6-1.1-22-8.1 for the property of the change in title or use
7 and indicate that the county auditor will suspend the exemption for
8 the property until the persons provide the county assessor with an
9 affidavit, signed under penalties of perjury, that identifies the new
10 owners or use of the property and indicates whether the property
11 continues to meet the requirements for an exemption under
12 IC 6-1.1-10. Upon receipt of the affidavit, the county assessor shall
13 reinstate the exemption under IC 6-1.1-15-12. However, a claim
14 under IC 6-1.1-26-1 for a refund of all or a part of a tax installment
15 paid and any correction of error under IC 6-1.1-15-12 must be filed
16 not later than three (3) years after the taxes are first due.

17 SECTION 8. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008,
18 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 UPON PASSAGE]: Sec. 10.1. (a) Except as provided in section 17.8
20 of this chapter and subject to section 45 of this chapter, an individual
21 who desires to claim the deduction provided by section 9 of this
22 chapter must file a sworn statement, on forms prescribed by the
23 department of local government finance, with the auditor of the county
24 in which the real property, mobile home, or manufactured home is
25 located. With respect to real property, the statement must be ~~filed~~
26 ~~during the year for which the individual wishes to obtain the deduction.~~
27 **completed and dated in the calendar year for which the individual**
28 **wishes to obtain the deduction and filed with the county auditor on**
29 **or before January 5 of the immediately succeeding calendar year.**
30 With respect to a mobile home that is not assessed as real property or
31 a manufactured home that is not assessed as real property, the
32 statement must be filed during the twelve (12) months before March 31
33 of each year for which the individual wishes to obtain the deduction.
34 The statement may be filed in person or by mail. If mailed, the mailing
35 must be postmarked on or before the last day for filing.

36 (b) The statement referred to in subsection (a) shall be in affidavit
37 form or require verification under penalties of perjury. The statement
38 must be filed in duplicate if the applicant owns, or is buying under a
39 contract, real property, a mobile home, or a manufactured home subject
40 to assessment in more than one (1) county or in more than one (1)
41 taxing district in the same county. The statement shall contain:

42 (1) the source and exact amount of gross income received by the



individual and the individual's spouse during the preceding calendar year;

(2) the description and assessed value of the real property, mobile home, or manufactured home;

(3) the individual's full name and complete residence address;

(4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on contract; and

(5) any additional information which the department of local government finance may require.

(c) In order to substantiate the deduction statement, the applicant shall submit for inspection by the county auditor a copy of the applicant's and a copy of the applicant's spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

SECTION 9. IC 6-1.1-12-12, AS AMENDED BY P.L.1-2009, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the application must be ~~filed during the year for which the individual wishes to obtain the deduction:~~ **completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the application must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) Proof of blindness may be supported by:

(1) the records of the division of family resources or the division of disability and rehabilitative services; or

(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed



1 optometrist.

2 (c) The application required by this section must contain the record
3 number and page where the contract or memorandum of the contract
4 is recorded if the individual is buying the real property, mobile home,
5 or manufactured home on a contract that provides that the individual
6 is to pay property taxes on the real property, mobile home, or
7 manufactured home.

8 SECTION 10. IC 6-1.1-12-15, AS AMENDED BY
9 P.L.293-2013(ts), SECTION 3, IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) Except as
11 provided in section 17.8 of this chapter and subject to section 45 of this
12 chapter, an individual who desires to claim the deduction provided by
13 section 13 or 14 of this chapter must file a statement with the auditor
14 of the county in which the individual resides. With respect to real
15 property, the statement must be ~~filed during the year for which the~~
16 ~~individual wishes to obtain the deduction.~~ **completed and dated in the**
17 **calendar year for which the individual wishes to obtain the**
18 **deduction and filed with the county auditor on or before January**
19 **5 of the immediately succeeding calendar year.** With respect to a
20 mobile home that is not assessed as real property or a manufactured
21 home that is not assessed as real property, the statement must be filed
22 during the twelve (12) months before March 31 of each year for which
23 the individual wishes to obtain the deduction. The statement may be
24 filed in person or by mail. If mailed, the mailing must be postmarked
25 on or before the last day for filing. The statement shall contain a sworn
26 declaration that the individual is entitled to the deduction.

27 (b) In addition to the statement, the individual shall submit to the
28 county auditor for the auditor's inspection:

29 (1) a pension certificate, an award of compensation, or a disability
30 compensation check issued by the United States Department of
31 Veterans Affairs if the individual claims the deduction provided
32 by section 13 of this chapter;

33 (2) a pension certificate or an award of compensation issued by
34 the United States Department of Veterans Affairs if the individual
35 claims the deduction provided by section 14 of this chapter; or

36 (3) the appropriate certificate of eligibility issued to the individual
37 by the Indiana department of veterans' affairs if the individual
38 claims the deduction provided by section 13 or 14 of this chapter.

39 (c) If the individual claiming the deduction is under guardianship,
40 the guardian shall file the statement required by this section. If a
41 deceased veteran's surviving spouse is claiming the deduction, the
42 surviving spouse shall provide the documentation necessary to



1 establish that at the time of death the deceased veteran satisfied the
 2 requirements of section 13(a)(1) through 13(a)(4) of this chapter or
 3 section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.

4 (d) If the individual claiming a deduction under section 13 or 14 of
 5 this chapter is buying real property, a mobile home not assessed as real
 6 property, or a manufactured home not assessed as real property under
 7 a contract that provides that the individual is to pay property taxes for
 8 the real estate, mobile home, or manufactured home, the statement
 9 required by this section must contain the record number and page
 10 where the contract or memorandum of the contract is recorded.

11 SECTION 11. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008,
 12 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 17. Except as provided in section 17.8 of this
 14 chapter and subject to section 45 of this chapter, a surviving spouse
 15 who desires to claim the deduction provided by section 16 of this
 16 chapter must file a statement with the auditor of the county in which
 17 the surviving spouse resides. With respect to real property, the
 18 statement must be ~~filed during the year for which the surviving spouse~~
 19 ~~wishes to obtain the deduction.~~ **completed and dated in the calendar**
 20 **year for which the person wishes to obtain the deduction and filed**
 21 **with the county auditor on or before January 5 of the immediately**
 22 **succeeding calendar year.** With respect to a mobile home that is not
 23 assessed as real property or a manufactured home that is not assessed
 24 as real property, the statement must be filed during the twelve (12)
 25 months before March 31 of each year for which the individual wishes
 26 to obtain the deduction. The statement may be filed in person or by
 27 mail. If mailed, the mailing must be postmarked on or before the last
 28 day for filing. The statement shall contain:

29 (1) a sworn statement that the surviving spouse is entitled to the
 30 deduction; and

31 (2) the record number and page where the contract or
 32 memorandum of the contract is recorded, if the individual is
 33 buying the real property on a contract that provides that the
 34 individual is to pay property taxes on the real property.

35 In addition to the statement, the surviving spouse shall submit to the
 36 county auditor for the auditor's inspection a letter or certificate from the
 37 United States Department of Veterans Affairs establishing the service
 38 of the deceased spouse in the military or naval forces of the United
 39 States before November 12, 1918.

40 SECTION 12. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008,
 41 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 17.5. (a) Except as provided in section 17.8



of this chapter and subject to section 45 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. With respect to real property, the veteran must ~~file the statement during the year for which the veteran wishes to obtain the deduction.~~ **complete and date the statement in the calendar year for which the veteran wishes to obtain the deduction and file the statement with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

- (1) a description and the assessed value of the real property, mobile home, or manufactured home;
- (2) the veteran's full name and complete residence address;
- (3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home; and
- (4) any additional information which the department of local government finance may require.

SECTION 13. IC 6-1.1-12-27.1, AS AMENDED BY P.L.137-2012, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.1. Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 26 or 26.1 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, manufactured home, or solar power device is subject to assessment. With respect to real property or a solar power device that is assessed as



1 distributable property under IC 6-1.1-8 or as personal property, the
 2 person must file the statement during the year for which the person
 3 desires to obtain the deduction. **complete and date the certified**
 4 **statement in the calendar year for which the person wishes to**
 5 **obtain the deduction and file the certified statement with the**
 6 **county auditor on or before January 5 of the immediately**
 7 **succeeding calendar year.** Except as provided in sections 36 and 44
 8 of this chapter and subject to section 45 of this chapter, with respect to
 9 a mobile home which is not assessed as real property, the person must
 10 file the statement during the twelve (12) months before March 31 of
 11 each year for which the person desires to obtain the deduction. The
 12 person must:

- 13 (1) own the real property, mobile home, or manufactured home or
- 14 own the solar power device;
- 15 (2) be buying the real property, mobile home, manufactured
- 16 home, or solar power device under contract; or
- 17 (3) be leasing the real property from the real property owner and
- 18 be subject to assessment and property taxation with respect to the
- 19 solar power device;

20 on the date the statement is filed under this section. The statement may
 21 be filed in person or by mail. If mailed, the mailing must be postmarked
 22 on or before the last day for filing. On verification of the statement by
 23 the assessor of the township in which the real property, mobile home,
 24 manufactured home, or solar power device is subject to assessment, or
 25 the county assessor if there is no township assessor for the township,
 26 the county auditor shall allow the deduction.

27 SECTION 14. IC 6-1.1-12-30, AS AMENDED BY P.L.1-2009,
 28 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 30. Except as provided in sections 36 and 44
 30 of this chapter and subject to section 45 of this chapter, a person who
 31 desires to claim the deduction provided by section 29 of this chapter
 32 must file a certified statement in duplicate, on forms prescribed by the
 33 department of local government finance, with the auditor of the county
 34 in which the real property or mobile home is subject to assessment.
 35 With respect to real property, the person must file the statement during
 36 the year for which the person desires to obtain the deduction. **complete**
 37 **and date the statement in the calendar year for which the person**
 38 **desires to obtain the deduction and file the statement with the**
 39 **county auditor on or before January 5 of the immediately**
 40 **succeeding calendar year.** With respect to a mobile home which is not
 41 assessed as real property, the person must file the statement during the
 42 twelve (12) months before March 31 of each year for which the person



desires to obtain the deduction. The person must:

- (1) own the real property, mobile home, or manufactured home;
- or
- (2) be buying the real property, mobile home, or manufactured home under contract;

on the date the statement is filed under this section. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

SECTION 15. IC 6-1.1-12-35.5, AS AMENDED BY P.L.1-2009, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35.5. (a) Except as provided in section 36 or 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement during the year for which the person wishes to obtain the deduction. The person must file the statement in each year for which the person desires to obtain the deduction. **complete and date the certified statement in the calendar year for which the person wishes to obtain the deduction and file the certified statement with the county auditor on or before January 5 of the immediately succeeding calendar year.** With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement during the twelve (12) months before March 31 of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that



1 a system or device qualifies for a deduction, it shall certify the system
2 or device and provide proof of the certification to the property owner.
3 The department shall prescribe the form and manner of the certification
4 process required by this subsection.

5 (c) This subsection does not apply to an application for a deduction
6 under section 34.5 of this chapter. If the department of environmental
7 management receives an application for certification, the department
8 shall determine whether the system or device qualifies for a deduction.
9 If the department fails to make a determination under this subsection
10 before December 31 of the year in which the application is received,
11 the system or device is considered certified.

12 (d) A denial of a deduction claimed under section 31, 33, 34, or 34.5
13 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal
14 is limited to a review of a determination made by the township assessor
15 county property tax assessment board of appeals, or department of local
16 government finance.

17 (e) A person who timely files a personal property return under
18 IC 6-1.1-3-7(a) for an assessment year and who desires to claim the
19 deduction provided in section 31 of this chapter for property that is not
20 assessed under IC 6-1.1-7 must file the statement described in
21 subsection (a) during the year in which the personal property return is
22 filed.

23 (f) This subsection applies only to an application for a deduction
24 under section 34.5 of this chapter. The center for coal technology
25 research established by IC 21-47-4-1, upon receiving an application
26 from the owner of a building, shall determine whether the building
27 qualifies for a deduction under section 34.5 of this chapter. If the center
28 determines that a building qualifies for a deduction, the center shall
29 certify the building and provide proof of the certification to the owner
30 of the building. The center shall prescribe the form and procedure for
31 certification of buildings under this subsection. If the center receives
32 an application for certification of a building under section 34.5 of this
33 chapter:

34 (1) the center shall determine whether the building qualifies for
35 a deduction; and

36 (2) if the center fails to make a determination before December 31
37 of the year in which the application is received, the building is
38 considered certified.

39 SECTION 16. IC 6-1.1-12-38, AS AMENDED BY P.L.1-2009,
40 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 UPON PASSAGE]: Sec. 38. (a) A person is entitled to a deduction
42 from the assessed value of the person's property in an amount equal to



the difference between:

(1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52; minus

(2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52. Subject to section 45 of this chapter, the statement ~~and certification must be filed during the year preceding the year the deduction will first be applied:~~ **must be completed and dated in the calendar year for which the person wishes to obtain the deduction, and the statement and certification must be filed with the county auditor on or before January 5 of the immediately succeeding calendar year.** Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

(c) The deduction provided by this section applies only if the person:

(1) owns the property; or

(2) is buying the property under contract;

on the assessment date for which the deduction applies.

SECTION 17. IC 6-1.1-12-45, AS ADDED BY P.L.144-2008, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 45. (a) Subject to subsections (b) and (c), a deduction under this chapter applies for an assessment date and for the property taxes due and payable based on the assessment for that assessment date, regardless of whether with respect to the real property or mobile home or manufactured home not assessed as real property:

(1) the title is conveyed one (1) or more times; or



(2) one (1) or more contracts to purchase are entered into;
after that assessment date and on or before the next succeeding
assessment date.

(b) Subsection (a) applies

~~(1) only if the title holder or the contract buyer on that next
succeeding assessment date is eligible for the deduction for that
next succeeding assessment date; and~~

~~(2) regardless of whether:~~

~~(A) (1) one (1) or more grantees of title under subsection (a)(1);
or~~

~~(B) (2) one (1) or more contract purchasers under subsection
(a)(2);~~

~~files file~~ a statement under this chapter to claim the deduction.

(c) A deduction applies under subsection (a) for only one (1) year.
The requirements of this chapter for filing a statement to apply for a
deduction under this chapter apply to subsequent years.

(d) If:

(1) a statement is filed under this chapter in a calendar year to
claim a deduction under this chapter with respect to real property;
and

(2) the eligibility criteria for the deduction are met;
the deduction applies for the assessment date in that calendar year and
for the property taxes due and payable based on the assessment for that
assessment date.

(e) If:

(1) a statement is filed under this chapter in a twelve (12) month
filing period designated under this chapter to claim a deduction
under this chapter with respect to a mobile home or a
manufactured home not assessed as real property; and

(2) the eligibility criteria for the deduction are met;
the deduction applies for the assessment date in that twelve (12) month
period and for the property taxes due and payable based on the
assessment for that assessment date.

SECTION 18. IC 6-1.1-12.6-3, AS ADDED BY P.L.70-2008,
SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2014]: Sec. 3. (a) A property owner that qualifies for the
deduction under this chapter **and that desires to receive the
deduction** must ~~file a statement containing the information required by
subsection (b) with the county auditor to claim the deduction for each
assessment date for which the property owner wishes to receive the
deduction~~ **complete and date a statement containing the
information required by subsection (b) in the calendar year for**



1 **which the person desires to obtain the deduction and file the**
 2 **statement with the county auditor on or before January 5 of the**
 3 **immediately succeeding calendar year,** in the manner prescribed in
 4 rules adopted under section 9 of this chapter. The township assessor
 5 shall verify each statement filed under this section, and the county
 6 auditor shall:

- 7 (1) make the deductions; and
 8 (2) notify the county property tax assessment board of appeals of
 9 all deductions approved;

10 under this section.

11 (b) The statement referred to in subsection (a) must be verified
 12 under penalties for perjury and must contain the following information:

- 13 (1) The assessed value of the real property for which the person
 14 is claiming the deduction.
 15 (2) The full name and complete business address of the person
 16 claiming the deduction.
 17 (3) The complete address and a brief description of the real
 18 property for which the person is claiming the deduction.
 19 (4) The name of any other county in which the person has applied
 20 for a deduction under this chapter for that assessment date.
 21 (5) The complete address and a brief description of any other real
 22 property for which the person has applied for a deduction under
 23 this chapter for that assessment date.

24 SECTION 19. IC 6-1.1-12.8-4, AS ADDED BY P.L.175-2011,
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2014]: Sec. 4. (a) A property owner that qualifies for the
 27 deduction under this chapter **and that desires to receive the**
 28 **deduction** ~~must file a statement containing the information required by~~
 29 ~~subsection (b) with the county auditor to claim the deduction for each~~
 30 ~~assessment date for which the property owner wishes to receive the~~
 31 ~~deduction~~ **complete and date a statement containing the**
 32 **information required by subsection (b) in the calendar year for**
 33 **which the person desires to obtain the deduction and file the**
 34 **statement with the county auditor on or before January 5 of the**
 35 **immediately succeeding calendar year,** in the manner prescribed in
 36 rules adopted under section 8 of this chapter. The township assessor,
 37 or the county assessor if there is no township assessor for the township,
 38 shall verify each statement filed under this section, and the county
 39 auditor shall:

- 40 (1) make the deductions; and
 41 (2) notify the county property tax assessment board of appeals of
 42 all deductions approved;



1 under this section.

2 (b) The statement referred to in subsection (a) must be verified
3 under penalties for perjury and must contain the following information:

4 (1) The assessed value of the real property for which the person
5 is claiming the deduction.

6 (2) The full name and complete business address of the person
7 claiming the deduction.

8 (3) The complete address and a brief description of the real
9 property for which the person is claiming the deduction.

10 (4) The name of any other county in which the person has applied
11 for a deduction under this chapter for that assessment date.

12 (5) The complete address and a brief description of any other real
13 property for which the person has applied for a deduction under
14 this chapter for that assessment date.

15 (6) An affirmation by the owner that the owner is receiving not
16 more than three (3) deductions under this chapter, including the
17 deduction being applied for by the owner, either:

18 (A) as the owner of the residence in inventory; or

19 (B) as an owner that is part of an affiliated group.

20 (7) An affirmation that the real property has not been leased and
21 will not be leased for any purpose during the term of the
22 deduction.

23 SECTION 20. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011,
24 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in
26 subsections (c), ~~and~~ (d), ~~and~~ (i), a county auditor shall correct errors
27 which are discovered in the tax duplicate for any one (1) or more of the
28 following reasons:

29 (1) The description of the real property was in error.

30 (2) The assessment was against the wrong person.

31 (3) Taxes on the same property were charged more than one (1)
32 time in the same year.

33 (4) There was a mathematical error in computing the taxes or
34 penalties on the taxes.

35 (5) There was an error in carrying delinquent taxes forward from
36 one (1) tax duplicate to another.

37 (6) The taxes, as a matter of law, were illegal.

38 (7) There was a mathematical error in computing an assessment.

39 (8) Through an error of omission by any state or county officer,
40 the taxpayer was not given:

41 (A) the proper credit under IC 6-1.1-20.6-7.5 for property
42 taxes imposed for an assessment date after January 15, 2011;



(B) any other credit permitted by law;

(C) an exemption permitted by law; or

(D) a deduction permitted by law.

(b) **Subject to subsection (i)**, the county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

(1) The township assessor (if any).

(2) The county auditor.

(3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not



petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

(i) A taxpayer is not entitled to relief under this section unless the taxpayer files a petition to correct an error:

(1) with the auditor of the county in which the taxes were originally paid; and

(2) within three (3) years after the taxes were first due.

SECTION 21. IC 6-1.1-17-3, AS AMENDED BY P.L.137-2012, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter, shall give notice by publication to taxpayers of:

(1) the estimated budget;

(2) the estimated maximum permissible levy;

(3) the current and proposed tax levies of each fund; and

(4) the amounts of excessive levy appeals to be requested.

The political subdivision or appropriate fiscal body shall also state the time and place at which the political subdivision or appropriate fiscal body will hold a public hearing on these items. The political subdivision or appropriate fiscal body shall ~~publish the notice twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. The first publication must be before September 14, and the second publication must be before September 21 of the year. The political subdivision shall pay for the publishing of the notice.~~ submit this information to the department's computer gateway before September 14 of each year in the manner prescribed by the department. The department shall make this information available to taxpayers through its computer gateway and provide a telephone number through which taxpayers may request copies of a political subdivision's information under this subsection. The department's computer gateway must allow a taxpayer to search for the information under this subsection by the taxpayer's address.

(b) For taxes due and payable in 2015 and 2016, each county shall publish a notice in accordance with IC 5-3-1 in two (2)



1 newspapers published in the county stating the Internet address at
 2 which the information under subsection (a) is available and the
 3 telephone number through which taxpayers may request copies of
 4 a political subdivision's information under subsection (a). If only
 5 one (1) newspaper is published in the county, publication in that
 6 newspaper is sufficient. The department of local government
 7 finance shall prescribe the notice. Notice under this subsection
 8 shall be published before September 14. Counties may seek
 9 reimbursement from the political subdivisions within their legal
 10 boundaries for the cost of the notice required under this
 11 subsection. The actions under this subsection shall be completed in
 12 the manner prescribed by the department.

13 ~~(b)~~ (c) The board of directors of a solid waste management district
 14 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
 15 conduct the public hearing required under subsection (a):

- 16 (1) in any county of the solid waste management district; and
- 17 (2) in accordance with the annual notice of meetings published
- 18 under IC 13-21-5-2.

19 ~~(c)~~ (d) The trustee of each township in the county shall estimate the
 20 amount necessary to meet the cost of township assistance in the
 21 township for the ensuing calendar year. The township board shall adopt
 22 with the township budget a tax rate sufficient to meet the estimated cost
 23 of township assistance. The taxes collected as a result of the tax rate
 24 adopted under this subsection are credited to the township assistance
 25 fund.

26 (e) A political subdivision for which any of the information
 27 under subsection (a) is not submitted to the department's computer
 28 gateway in the manner prescribed by the department shall have its
 29 most recent annual appropriations and annual tax levy continued
 30 for the ensuing budget year.

31 (f) If a political subdivision or appropriate fiscal body timely
 32 submits the information under subsection (a) but subsequently
 33 discovers the information contains a typographical error, the
 34 political subdivision or appropriate fiscal body may request
 35 permission from the department to submit amended information
 36 to the department's computer gateway. However, such a request
 37 must occur not later than seven (7) days before the public hearing
 38 held under subsection (a). Acknowledgment of the correction of an
 39 error shall be posted on the department's computer gateway and
 40 communicated by the political subdivision or appropriate fiscal
 41 body to the fiscal body of the county in which the political
 42 subdivision and appropriate fiscal body are located.



1 SECTION 22. IC 6-1.1-17-16, AS AMENDED BY P.L.218-2013,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 16. (a) Subject to the limitations and requirements
4 prescribed in this section, the department of local government finance
5 may revise, reduce, or increase a political subdivision's budget by fund,
6 tax rate, or tax levy which the department reviews under section 8 or
7 10 of this chapter.

8 (b) Subject to the limitations and requirements prescribed in this
9 section, the department of local government finance may review,
10 revise, reduce, or increase the budget by fund, tax rate, or tax levy of
11 any of the political subdivisions whose tax rates compose the aggregate
12 tax rate within a political subdivision whose budget, tax rate, or tax
13 levy is the subject of an appeal initiated under this chapter.

14 (c) Except as provided in section 16.1 of this chapter, the
15 department of local government finance is not required to hold a public
16 hearing before the department of local government finance reviews,
17 revises, reduces, or increases a political subdivision's budget by fund,
18 tax rate, or tax levy under this section.

19 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,
20 the department of local government finance may not increase a political
21 subdivision's budget by fund, tax rate, or tax levy to an amount which
22 exceeds the amount originally fixed by the political subdivision.
23 However, if the department of local government finance determines
24 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the
25 political subdivision, the maximum amount by which the department
26 may increase the tax rate, tax levy, or budget is the amount originally
27 fixed by the political subdivision, and not the amount that was
28 incorrectly published or omitted in the notice described in
29 IC 5-3-1-2.3(b). The department of local government finance shall give
30 the political subdivision notification electronically in the manner
31 prescribed by the department of local government finance specifying
32 any revision, reduction, or increase the department proposes in a
33 political subdivision's tax levy or tax rate. The political subdivision has
34 ten (10) calendar days from the date the political subdivision receives
35 the notice to provide a response electronically in the manner prescribed
36 by the department of local government finance. The response may
37 include budget reductions, reallocation of levies, a revision in the
38 amount of miscellaneous revenues, and further review of any other
39 item about which, in the view of the political subdivision, the
40 department is in error. The department of local government finance
41 shall consider the adjustments as specified in the political subdivision's
42 response if the response is provided as required by this subsection and



1 shall deliver a final decision to the political subdivision.

2 (e) The department of local government finance may not approve a
3 levy for lease payments by a city, town, county, library, or school
4 corporation if the lease payments are payable to a building corporation
5 for use by the building corporation for debt service on bonds and if:

- 6 (1) no bonds of the building corporation are outstanding; or
7 (2) the building corporation has enough legally available funds on
8 hand to redeem all outstanding bonds payable from the particular
9 lease rental levy requested.

10 (f) The department of local government finance shall certify its
11 action to:

- 12 (1) the county auditor;
13 (2) the political subdivision if the department acts pursuant to an
14 appeal initiated by the political subdivision;
15 (3) the taxpayer that initiated an appeal under section 13 of this
16 chapter, or, if the appeal was initiated by multiple taxpayers, the
17 first ten (10) taxpayers whose names appear on the statement filed
18 to initiate the appeal; and
19 (4) a taxpayer that owns property that represents at least ten
20 percent (10%) of the taxable assessed valuation in the political
21 subdivision.

22 (g) The following may petition for judicial review of the final
23 determination of the department of local government finance under
24 subsection (f):

- 25 (1) If the department acts under an appeal initiated by a political
26 subdivision, the political subdivision.
27 (2) If the department:
28 (A) acts under an appeal initiated by one (1) or more taxpayers
29 under section 13 of this chapter; or
30 (B) fails to act on the appeal before the department certifies its
31 action under subsection (f);
32 a taxpayer who signed the statement filed to initiate the appeal.
33 (3) If the department acts under an appeal initiated by the county
34 auditor under section 14 of this chapter, the county auditor.
35 (4) A taxpayer that owns property that represents at least ten
36 percent (10%) of the taxable assessed valuation in the political
37 subdivision.

38 The petition must be filed in the tax court not more than forty-five (45)
39 days after the department certifies its action under subsection (f).

40 (h) The department of local government finance is expressly
41 directed to complete the duties assigned to it under this section not later
42 than February 15 of each year for taxes to be collected during that year.



(i) Subject to the provisions of all applicable statutes, the department of local government finance ~~may~~ **shall** increase a political subdivision's tax levy to an amount that exceeds the amount originally ~~fixed~~ **advertised or adopted** by the political subdivision if:

(1) the increase is ~~(1)~~ requested in writing by the officers of the political subdivision;

(2) ~~either:~~ **the requested increase is published on the department's advertising Internet web site; and**

~~(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or~~

~~(B) results from an inadvertent mathematical error made in determining the levy; and~~

(3) ~~published by the political subdivision according to a notice provided by the department. notice is given to the county fiscal body of the error and the department's correction.~~

If the department increases a levy beyond what was advertised or adopted under this subsection, it shall reduce the levy for each fund affected below the maximum allowable levy by the lesser of five percent (5%) of the difference between the advertised or adopted levy and the increased levy, or one hundred thousand dollars (\$100,000).

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

SECTION 23. IC 6-1.1-17-20, AS AMENDED BY P.L.257-2013, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) This section applies to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body. For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include a public library **that has its proposed budget and proposed property tax levy approved under section 20.3 of this chapter** or an entity whose tax



levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9. **The term includes a public library that has a taxing district located within at least two (2) counties and also has total annual appropriations of more than two million dollars (\$2,000,000).**

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but:

(A) the taxing unit was originally established by the city or town; or

(B) the majority of the individuals serving on the governing body of the taxing unit are appointed by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. **However, in the case of a public library that is subject to this section and is described in subdivision (2), the public library shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.**

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this



chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 24. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20.3. (a) This section applies only to the governing body of a public library that:

(1) governs a taxing district that is located within a single county or, in the case of a public library that governs a taxing district within at least two (2) counties, has total annual appropriations of not more than two million dollars (\$2,000,000);

(+) (2) is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) (3) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library is entirely contained within a city or town; or

(2) the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.



(d) If subsection (c) does not apply, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 25. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

(b) If the additional appropriation by the political subdivision is made from a fund that receives:

(1) distributions from the motor vehicle highway account established under IC 8-14-1-1 or the local road and street account established under IC 8-14-2-4; or

(2) revenue from property taxes levied under IC 6-1.1;

the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do



not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance.

(f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.

(g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:

(1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the political subdivision; and

(2) state with reasonable specificity the reason for the request.

The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under



IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

(k) This subsection applies to a public library that:

(1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and

(2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~; **IC 6-1.1-17-20.3(d)**, as appropriate.

SECTION 26. IC 6-1.1-18-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) As used in this section, "qualified taxing unit" refers to the following taxing units:**

(1) DeKalb County.

(2) The town of Middlebury in Elkhart County.

(b) Before July 1, 2014, the department shall calculate and certify to the fiscal body of a qualified taxing unit the result of:

(1) the amount of the property tax levy that could have been imposed for property taxes first due and payable in 2014, if the budgets and levies of the qualified taxing unit had been properly advertised; minus

(2) the amount of the property tax levy approved by the department under IC 6-1.1-17 for property taxes first due and payable in calendar year 2014, after reducing the qualified taxing unit's budget and property tax levy because the qualified taxing unit's budget and property tax levy information were not properly advertised.

(c) After receiving the certifications required under subsection (b), the fiscal body of a qualified taxing unit may adopt an ordinance authorizing the qualified taxing unit to borrow money from a financial institution to replace part or all of the amount



certified under subsection (b).

(d) If a qualified taxing unit receives a loan under this section, the fiscal officer of the qualified taxing unit shall deposit the loan in each fund affected by the reduction of the qualified taxing unit's budget and property tax levy. The amount deposited may be used for any of the lawful purposes of that fund.

(e) If a qualified taxing unit borrows money under subsection (c), the qualified taxing unit shall impose a property tax levy in calendar year 2015 for the qualified taxing unit's debt service fund to repay the total amount borrowed. The property tax levy under this subsection must be treated as:

(1) protected taxes (as defined in IC 6-1.1-20.6-9.8); and

(2) property taxes that are exempt from the levy limitations of IC 6-1.1-18.5.

(f) This section expires June 30, 2016.

SECTION 27. IC 6-1.1-18.5-8, AS AMENDED BY P.L.218-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

(1) bonded indebtedness; or

(2) lease rentals under a lease with an original term of at least five

(5) years.

However, this section does not apply to ad valorem property taxes imposed by a township to repay money borrowed under IC 36-6-6-14.

(b) Except as provided by subsections (g) and (h), a civil taxing unit must file a petition requesting approval from the department of local government finance to incur bonded indebtedness or execute a lease with an original term of at least five (5) years not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2) (as in effect before July 1, 2008), unless the civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the department of local government finance before the civil taxing unit may:

(1) incur the bonded indebtedness; or

(2) enter into the lease.

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance may extend this three (3) month period by an



1 additional three (3) months if, at least ten (10) days before the end of
 2 the original three (3) month period, the department sends notice of the
 3 extension to the executive officer of the civil taxing unit. A civil taxing
 4 unit may petition for judicial review of the final determination of the
 5 department of local government finance under this section. The petition
 6 must be filed in the tax court not more than forty-five (45) days after
 7 the department enters its order under this section.

8 (d) A civil taxing unit does not need approval under subsection (b)
 9 to obtain temporary loans made in anticipation of and to be paid from
 10 current revenues of the civil taxing unit actually levied and in the
 11 course of collection for the fiscal year in which the loans are made.

12 (e) For purposes of computing the ad valorem property tax levy
 13 limits imposed on a civil taxing unit by section 3 of this chapter, the
 14 civil taxing unit's ad valorem property tax levy for a calendar year does
 15 not include that part of its levy that is committed to fund or pay bond
 16 indebtedness or lease rentals with an original term of five (5) years in
 17 subsection (a).

18 (f) A taxpayer may petition for judicial review of the final
 19 determination of the department of local government finance under this
 20 section. The petition must be filed in the tax court not more than thirty
 21 (30) days after the department enters its order under this section.

22 (g) This subsection applies only to bonds, leases, and other
 23 obligations for which a civil taxing unit:

24 (1) after June 30, 2008, makes a preliminary determination as
 25 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as
 26 described in IC 6-1.1-20-5; or

27 (2) in the case of bonds, leases, or other obligations payable from
 28 ad valorem property taxes but not described in subdivision (1),
 29 adopts a resolution or ordinance authorizing the bonds, lease
 30 rental agreement, or other obligations after June 30, 2008.

31 Notwithstanding any other provision, review by the department of local
 32 government finance and approval by the department of local
 33 government finance is not required before a civil taxing unit may issue
 34 or enter into bonds, a lease, or any other obligation.

35 (h) This subsection applies after June 30, 2008. Notwithstanding
 36 any other provision, review by the department of local government
 37 finance and approval by the department of local government finance is
 38 not required before a civil taxing unit may construct, alter, or repair a
 39 capital project.

40 SECTION 28. IC 6-1.1-21.2-11, AS AMENDED BY P.L.146-2008,
 41 SECTION 238, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) The governing body shall



1 estimate the tax increment replacement amount for each allocation area
 2 under the jurisdiction of the governing body for the next calendar year
 3 ~~on the schedule prescribed by the department of local government~~
 4 ~~finance; in accordance with IC 36-7-14-39(b).~~

5 (b) The tax increment replacement amount is the greater of zero (0)
 6 or the net amount by which:

7 (1) laws enacted by the general assembly; and

8 (2) actions taken by the department of local government finance;
 9 after the establishment of the allocation area have decreased the tax
 10 increment revenues of the allocation area for the next calendar year
 11 (after adjusting for any increases resulting from laws or actions of the
 12 department of local government finance) below the sum of the amount
 13 needed to make all payments that are due in the next calendar year on
 14 obligations payable from tax increment revenues and to maintain any
 15 tax increment revenue to obligation payment ratio required by an
 16 agreement on which any of the obligations are based.

17 SECTION 29. IC 10-19-11 IS ADDED TO THE INDIANA CODE
 18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2014]:

20 **Chapter 11. Public Safety Equipment Revolving Loan Fund**

21 **Sec. 1. As used in this chapter, "division" refers to the division**
 22 **of preparedness and training established by IC 10-19-5-1.**

23 **Sec. 2. As used in this chapter, "fund" refers to the public safety**
 24 **equipment revolving loan fund established by section 6 of this**
 25 **chapter.**

26 **Sec. 3. As used in this chapter, "public safety equipment"**
 27 **includes new or used equipment or apparatus for firefighting, law**
 28 **enforcement, emergency medical, or other emergency services.**

29 **Sec. 4. As used in this chapter, "purchaser" has the meaning set**
 30 **forth in IC 4-13-1-25(c).**

31 **Sec. 5. As used in this chapter, "qualified purchaser" means a**
 32 **purchaser that the division has approved for a loan from the fund.**

33 **Sec. 6. (a) The public safety equipment revolving loan fund is**
 34 **established to:**

35 (1) provide loans to purchasers for the purchase of public
 36 safety equipment; and

37 (2) pay the costs of administering this chapter.

38 (b) The division shall administer the fund.

39 (c) The fund consists of the following:

40 (1) Amounts appropriated to the fund by the general
 41 assembly.

42 (2) Repayment proceeds, including interest, of loans made



from the fund.

(3) Donations, grants, and money received from any other source.

(4) Amounts transferred to the fund under IC 22-14-6-9.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a fiscal year does not revert to the state general fund.

(f) The fund is subject to an annual audit by the state board of accounts. The cost of the audit shall be paid from the fund.

Sec. 7. (a) The division shall do the following:

(1) Establish the policies and procedures to be used in administering the fund.

(2) Specify the information that a purchaser must submit with a loan application.

(3) Establish a loan priority rating system.

(4) Prescribe the forms to be used in administering the fund.

(5) Prescribe the persons authorized to execute loan documents on behalf of a qualified purchaser.

(6) Take other actions necessary to implement this chapter.

(b) The executive director, in consultation with the division, may adopt rules under IC 4-22-2 to implement this section.

(c) The division may enter into contracts necessary to administer this chapter, including contracts for the servicing of loans.

Sec. 8. The total amount of loans under this chapter that may be outstanding at any time may not exceed five million dollars (\$5,000,000).

Sec. 9. The total amount of loans under this chapter that may be outstanding at any time to a single loan recipient may not exceed one hundred fifty thousand dollars (\$150,000).

Sec. 10. (a) The division shall do the following:

(1) Review and approve or disapprove applications for loans from the fund.

(2) Establish the terms of loans from the fund.

(3) Manage loans from the fund.

(b) The division shall review applications for loans from the fund on June 1 and December 1 of each calendar year. The deadline for submitting an application is:

(1) May 17, to be eligible for review on June 1; or

(2) November 16, to be eligible for review on December 1.



1 An application received after a deadline has passed is eligible for
2 review on the next review date.

3 Sec. 11. (a) The division shall assign a loan priority rating to
4 each application under this chapter.

5 (b) A loan priority rating must be assigned in conformity with
6 the loan priority rating system established under section 7(a)(3) of
7 this chapter.

8 (c) A loan priority rating that is assigned to an applicant must
9 reflect the need of the applicant relative to the need of all other
10 applicants during the same review period.

11 (d) The division shall make loans available to qualified
12 purchasers in descending order beginning with the qualified
13 purchaser with the highest loan priority rating.

14 Sec. 12. A loan under this chapter is subject to the following
15 conditions:

16 (1) The qualified purchaser may use the loan only for:

17 (A) the purchase of public safety equipment; and

18 (B) legal or other incidental expenses directly related to
19 acquiring the public safety equipment.

20 (2) The repayment period may not exceed seven (7) years.

21 (3) The amount of the loan may not be less than ten thousand
22 dollars (\$10,000).

23 (4) The interest rate is to be set by the state board of finance
24 at a rate that is not more than two percent (2%) below the
25 prime bank lending rate prevailing at the time the application
26 is approved.

27 (5) All interest reverts to the fund.

28 (6) The loan must be repaid in installments, including interest
29 on the unpaid balance of the loan.

30 (7) The repayment of principal may be deferred for a period
31 not to exceed two (2) years.

32 (8) The repayment of the loan may be limited to a specified
33 revenue source of the recipient. If the repayment is limited
34 under this subdivision, the repayment:

35 (A) is not a general obligation of the recipient; and

36 (B) is payable solely from the specified revenue source.

37 (9) The loan is not subject to a prepayment penalty.

38 (10) The division shall have a security interest for the balance
39 of the loan, accrued interest, penalties, and collection expenses
40 in the public safety equipment purchased with the proceeds of
41 the loan.

42 (11) Any other conditions the division considers appropriate.



1 **Sec. 13. Notwithstanding any other law, a loan to a qualified**
 2 **purchaser under this chapter may be directly negotiated with the**
 3 **division without public sale of bonds or other evidences of**
 4 **indebtedness of the qualified purchaser.**

5 **Sec. 14. Before applying for a loan under this chapter, a**
 6 **purchaser must obtain the approval of the fiscal unit of the**
 7 **purchaser, or the fiscal unit that contracts with the purchaser, if:**

8 **(1) the fiscal unit provides more than twenty-five percent**
 9 **(25%) of the purchaser's revenue in the year the purchaser**
 10 **applies for the loan; and**

11 **(2) any part of the loan will be repaid from funds paid to the**
 12 **purchaser by the fiscal unit.**

13 **Sec. 15. A loan from the fund does not constitute the lending of**
 14 **credit by the state for purposes of any other statute or the**
 15 **Constitution of the State of Indiana.**

16 **Sec. 16. If a qualified purchaser fails to repay a loan under this**
 17 **chapter or is in any way indebted to the fund for any amount**
 18 **incurred or accrued, the amount payable may be recovered in an**
 19 **action by the state on relation of the department that is prosecuted**
 20 **by the attorney general in the circuit or superior court of the**
 21 **county in which the recipient is located.**

22 **SECTION 30. IC 22-14-6-8 IS REPEALED [EFFECTIVE JULY 1,**
 23 **2014]. Sec. 8: (a) Notwithstanding the repeal of IC 22-14-5, the**
 24 **firefighting and emergency equipment revolving loan fund established**
 25 **by IC 22-14-5-1 (before its repeal) remains in existence after June 30,**
 26 **2007, if any money remains in the fund on June 30, 2007. Money that**
 27 **remains in the firefighting and emergency equipment revolving loan**
 28 **fund on June 30, 2007, does not revert to the state general fund.**
 29 **Deposits or transfers may not be made to the firefighting and**
 30 **emergency equipment revolving loan fund; and new loans may not be**
 31 **made from the firefighting and emergency equipment revolving loan**
 32 **fund after June 30, 2007.**

33 **(b) Money remaining in the firefighting and emergency equipment**
 34 **revolving loan fund on June 30, 2007, must be transferred before**
 35 **August 1, 2007, to the fund.**

36 **(c) If money in the firefighting and emergency equipment revolving**
 37 **loan fund is transferred under subsection (b), the firefighting and**
 38 **emergency equipment revolving loan fund is abolished immediately**
 39 **after the transfer under subsection (b) is completed.**

40 **(d) Notwithstanding the repeal of IC 22-14-5, if a loan provided**
 41 **under IC 22-14-5-1 (before its repeal) remains outstanding on June 30,**
 42 **2007, the qualified entity to whom the loan was provided shall repay**



the loan; subject to the original terms and conditions of the loan; to the department of homeland security established by IC 10-19-2-1 for deposit in the fund.

(c) This section expires on the later of the following:

(1) August 1, 2007.

(2) The date on which the last outstanding loan provided under IC 22-14-5-1 (before its repeal) is repaid to the department of homeland security under subsection (d).

SECTION 31. IC 22-14-6-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 9. (a) Not later than December 1, 2014, the division shall transfer from the fund to the public safety equipment revolving loan fund established by IC 10-19-11-6 an amount equal to the amount of any loan repayments deposited in the fund under section 8(d) of this chapter (before its repeal).

(b) This section expires on the earlier of the following dates:

(1) The date on which the transfer described in subsection (a) is complete.

(2) January 1, 2015.

SECTION 32. IC 36-1-8-17.5, AS ADDED BY P.L.205-2013, SECTION 345, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17.5. (a) As used in this section, "OPEB" means a post-employment benefit that is considered to be an "other post employment benefit" under the standards of the Governmental Accounting Standards Board.

(b) Each political subdivision **that completes a comprehensive annual financial report** must, ~~before February 1 of each year, report in the manner prescribed by the department of local government finance, submit~~ to the department of local government finance the political subdivision's:

- (1) OPEB liability;
- (2) unfunded OPEB liability;
- (3) OPEB assets;
- (4) OPEB contributions; and
- (5) OPEB expenses and expenditures;

for the preceding year.

(c) A political subdivision **that** must report the information required by subsection (b) ~~in the manner specified by the department of local government finance. shall do so not later than thirty (30) days after completing the OPEB analysis.~~

SECTION 33. IC 36-4-7-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. Before the



1 ~~publication submission~~ of notice of budget estimates required by
 2 IC 6-1.1-17-3, each city shall formulate a budget estimate for the
 3 ensuing budget year in the following manner:

4 (1) Each department head shall prepare for ~~his~~ **the department**
 5 **head's** department an estimate of the amount of money required
 6 for the ensuing budget year, stating in detail each category and
 7 item of expenditure ~~he~~ **the department head** anticipates.

8 (2) The city fiscal officer shall prepare an itemized estimate of
 9 revenues available for the ensuing budget year, and shall prepare
 10 an itemized estimate of expenditures for other purposes above the
 11 money proposed to be used by the departments.

12 (3) The city executive shall meet with the department heads and
 13 the fiscal officer to review and revise their various estimates.

14 (4) After the executive's review and revision, the fiscal officer
 15 shall prepare for the executive a report of the estimated
 16 department budgets, miscellaneous expenses, and revenues
 17 necessary or available to finance the estimates.

18 SECTION 34. IC 36-5-3-3 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. Before the
 20 ~~publication submission~~ of notice of budget estimates required by
 21 IC 6-1.1-17-3, each town shall formulate a budget estimate for the
 22 ensuing budget year in the following manner, unless it provides by
 23 ordinance for a different manner:

24 (1) Each department head shall prepare for ~~his~~ **the department**
 25 **head's** department an estimate of the amount of money required
 26 for the ensuing budget year, stating in detail each category and
 27 item of expenditure ~~he~~ **the department head** anticipates.

28 (2) The town fiscal officer shall prepare an itemized estimate of
 29 revenues available for the ensuing budget year, and shall prepare
 30 an itemized estimate of expenditures for other purposes above the
 31 money proposed to be used by the departments.

32 (3) The town executive shall meet with the department heads and
 33 the fiscal officer to review and revise their various estimates.

34 (4) After the executive's review and revision, the fiscal officer
 35 shall prepare for the executive a report of the estimated
 36 department budgets, miscellaneous expenses, and revenues
 37 necessary or available to finance the estimates.

38 SECTION 35. IC 36-7-14-13, AS AMENDED BY P.L.218-2013,
 39 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2014]: Sec. 13. (a) Not later than ~~March 15~~ **June 1** of each
 41 year, the redevelopment commissioners or their designees shall file
 42 with the unit's executive a report setting out their activities during the



preceding calendar year.

(b) The report of the commissioners of a municipal redevelopment commission must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, an accounting of the tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the commission, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commissioners and the results obtained. **The report must also include the following information set forth for each tax increment financing district regarding the previous year:**

(1) Revenues received.

(2) Expenses paid.

(3) Fund balances.

(4) The amount and maturity date for all outstanding obligations.

(5) The amount paid on outstanding obligations.

(6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.

(c) The report of the commissioners of a county redevelopment commission must show all the information required by subsection (b), plus the names of any commissioners appointed to or removed from office during the preceding calendar year.

(d) A copy of each report filed under this section must be submitted to the department of local government finance in an electronic format through the department's computer gateway.

(e) Before August 1 each year, the redevelopment commissioners shall also submit a report to the fiscal body of the unit. The report must include the following information set forth for each tax increment financing district regarding the previous year:

(1) Revenues received:

(2) Expenses paid:

(3) Fund balances:

(4) The amount and maturity date for all outstanding obligations:

(5) The amount paid on outstanding obligations:

(6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.

Before October 1 each year, the fiscal body shall compile the reports



1 received for all the tax increment financing districts and submit a
 2 comprehensive report to the department of local government finance
 3 in the form required by the department of local government finance.

4 SECTION 36. IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012,
 5 SECTION 206, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2014]: Sec. 15.5. (a) This section applies to a
 7 county having a population of more than two hundred fifty thousand
 8 (250,000) but less than two hundred seventy thousand (270,000).

9 (b) In adopting a declaratory resolution under section 15 of this
 10 chapter, a redevelopment commission may include a provision stating
 11 that the redevelopment project area is considered to include one (1) or
 12 more additional areas outside the boundaries of the redevelopment
 13 project area if the redevelopment commission makes the following
 14 findings and the requirements of subsection (c) are met:

15 (1) One (1) or more taxpayers presently located within the
 16 boundaries of the redevelopment project area are expected within
 17 one (1) year to relocate all or part of their operations outside the
 18 boundaries of the redevelopment project area and have expressed
 19 an interest in relocating all or part of their operations within the
 20 boundaries of an additional area.

21 (2) The relocation described in subdivision (1) will contribute to
 22 the continuation of the conditions described in IC 36-7-1-3 in the
 23 redevelopment project area.

24 (3) For purposes of this section, it will be of public utility and
 25 benefit to include the additional areas as part of the
 26 redevelopment project area.

27 (c) Each additional area must be designated by the redevelopment
 28 commission as a redevelopment project area or an economic
 29 development area under this chapter.

30 (d) Notwithstanding section 3 of this chapter, the additional areas
 31 shall be considered to be a part of the redevelopment special taxing
 32 district under the jurisdiction of the redevelopment commission. Any
 33 excess property taxes that the commission has determined may be paid
 34 to taxing units under section ~~39(b)(4)~~ (39)(b)(5) of this chapter shall be
 35 paid to the taxing units from which the excess property taxes were
 36 derived. All powers of the redevelopment commission authorized under
 37 this chapter may be exercised by the redevelopment commission in
 38 additional areas under its jurisdiction.

39 (e) The declaratory resolution must include a statement of the
 40 general boundaries of each additional area. However, it is sufficient to
 41 describe those boundaries by location in relation to public ways,
 42 streams, or otherwise, as determined by the commissioners.



(f) The declaratory resolution may include a provision with respect to the allocation and distribution of property taxes with respect to one (1) or more of the additional areas in the manner provided in section 39 of this chapter. If the redevelopment commission includes such a provision in the resolution, allocation areas in the redevelopment project area and in the additional areas considered to be part of the redevelopment project area shall be considered a single allocation area for purposes of this chapter.

(g) The additional areas must be located within the same county as the redevelopment project area but are not otherwise required to be within the jurisdiction of the redevelopment commission, if the redevelopment commission obtains the consent by ordinance of:

(1) the county legislative body, for each additional area located within the unincorporated part of the county; or

(2) the legislative body of the city or town affected, for each additional area located within a city or town.

In granting its consent, the legislative body shall approve the plan of development or redevelopment relating to the additional area.

(h) A declaratory resolution previously adopted may be amended to include a provision to include additional areas as set forth in this section and an allocation provision under section 39 of this chapter with respect to one (1) or more of the additional areas in accordance with sections 15, 16, and 17 of this chapter.

(i) The redevelopment commission may amend the allocation provision of a declaratory resolution in accordance with sections 15, 16, and 17 of this chapter to change the assessment date that determines the base assessed value of property in the allocation area to any assessment date following the effective date of the allocation provision of the declaratory resolution. Such a change may relate to the assessment date that determines the base assessed value of that portion of the allocation area that is located in the redevelopment project area alone, that portion of the allocation area that is located in an additional area alone, or the entire allocation area.

SECTION 37. IC 36-7-14-39, AS AMENDED BY P.L.218-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a



1 declaratory resolution or an amendment to a declaratory
2 resolution establishing an economic development area:

3 (A) the net assessed value of all the property as finally
4 determined for the assessment date immediately preceding the
5 effective date of the allocation provision of the declaratory
6 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

7 (B) to the extent that it is not included in clause (A), the net
8 assessed value of property that is assessed as residential
9 property under the rules of the department of local government
10 finance, as finally determined for any assessment date after the
11 effective date of the allocation provision.

12 (2) If an allocation provision is adopted after June 30, 1997, in a
13 declaratory resolution or an amendment to a declaratory
14 resolution establishing a redevelopment project area:

15 (A) the net assessed value of all the property as finally
16 determined for the assessment date immediately preceding the
17 effective date of the allocation provision of the declaratory
18 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

19 (B) to the extent that it is not included in clause (A), the net
20 assessed value of property that is assessed as residential
21 property under the rules of the department of local government
22 finance, as finally determined for any assessment date after the
23 effective date of the allocation provision.

24 (3) If:

25 (A) an allocation provision adopted before June 30, 1995, in
26 a declaratory resolution or an amendment to a declaratory
27 resolution establishing a redevelopment project area expires
28 after June 30, 1997; and

29 (B) after June 30, 1997, a new allocation provision is included
30 in an amendment to the declaratory resolution;

31 the net assessed value of all the property as finally determined for
32 the assessment date immediately preceding the effective date of
33 the allocation provision adopted after June 30, 1997, as adjusted
34 under subsection ~~(h)~~; **(i)**.

35 (4) Except as provided in subdivision (5), for all other allocation
36 areas, the net assessed value of all the property as finally
37 determined for the assessment date immediately preceding the
38 effective date of the allocation provision of the declaratory
39 resolution, as adjusted under subsection ~~(h)~~; **(i)**.

40 (5) If an allocation area established in an economic development
41 area before July 1, 1995, is expanded after June 30, 1995, the
42 definition in subdivision (1) applies to the expanded part of the



1 area added after June 30, 1995.

2 (6) If an allocation area established in a redevelopment project
3 area before July 1, 1997, is expanded after June 30, 1997, the
4 definition in subdivision (2) applies to the expanded part of the
5 area added after June 30, 1997.

6 **"Obligation" includes currently outstanding bonds, leases, and**
7 **contracts.**

8 Except as provided in section 39.3 of this chapter, "property taxes"
9 means taxes imposed under IC 6-1.1 on real property. However, upon
10 approval by a resolution of the redevelopment commission adopted
11 before June 1, 1987, "property taxes" also includes taxes imposed
12 under IC 6-1.1 on depreciable personal property. If a redevelopment
13 commission adopted before June 1, 1987, a resolution to include within
14 the definition of property taxes taxes imposed under IC 6-1.1 on
15 depreciable personal property that has a useful life in excess of eight
16 (8) years, the commission may by resolution determine the percentage
17 of taxes imposed under IC 6-1.1 on all depreciable personal property
18 that will be included within the definition of property taxes. However,
19 the percentage included must not exceed twenty-five percent (25%) of
20 the taxes imposed under IC 6-1.1 on all depreciable personal property.

21 (b) **Subject to subsection (k)**, a declaratory resolution adopted
22 under section 15 of this chapter on or before the allocation deadline
23 determined under subsection (i) **(k)** may include a provision with
24 respect to the allocation and distribution of property taxes for the
25 purposes and in the manner provided in this section. **Subject to**
26 **subsection (k)**, a declaratory resolution previously adopted may
27 include an allocation provision by the amendment of that declaratory
28 resolution on or before the allocation deadline determined under
29 subsection (i) **(k)** in accordance with the procedures required for its
30 original adoption. A declaratory resolution or an amendment that
31 establishes an allocation provision after June 30, 1995, must specify an
32 expiration date for the allocation provision. For an allocation area
33 established before July 1, 2008, the expiration date may not be more
34 than thirty (30) years after the date on which the allocation provision
35 is established. For an allocation area established after June 30, 2008,
36 the expiration date may not be more than twenty-five (25) years after
37 the date on which the first obligation was incurred to pay principal and
38 interest on bonds or lease rentals on leases payable from tax increment
39 revenues. However, with respect to bonds or other obligations that were
40 issued before July 1, 2008, if any of the bonds or other obligations that
41 were scheduled when issued to mature before the specified expiration
42 date and that are payable only from allocated tax proceeds with respect



to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically



- 1 located in or physically connected to that allocation area.
- 2 (E) Pay premiums on the redemption before maturity of bonds
- 3 payable solely or in part from allocated tax proceeds in that
- 4 allocation area.
- 5 (F) Make payments on leases payable from allocated tax
- 6 proceeds in that allocation area under section 25.2 of this
- 7 chapter.
- 8 (G) Reimburse the unit for expenditures made by it for local
- 9 public improvements (which include buildings, parking
- 10 facilities, and other items described in section 25.1(a) of this
- 11 chapter) that are physically located in or physically connected
- 12 to that allocation area.
- 13 (H) Reimburse the unit for rentals paid by it for a building or
- 14 parking facility that is physically located in or physically
- 15 connected to that allocation area under any lease entered into
- 16 under IC 36-1-10.
- 17 (I) For property taxes first due and payable before January 1,
- 18 2009, pay all or a part of a property tax replacement credit to
- 19 taxpayers in an allocation area as determined by the
- 20 redevelopment commission. This credit equals the amount
- 21 determined under the following STEPS for each taxpayer in a
- 22 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 23 part of the allocation area:
- 24 STEP ONE: Determine that part of the sum of the amounts
- 25 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 26 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 27 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
- 28 the taxing district.
- 29 STEP TWO: Divide:
- 30 (i) that part of each county's eligible property tax
- 31 replacement amount (as defined in IC 6-1.1-21-2 (before its
- 32 repeal)) for that year as determined under IC 6-1.1-21-4
- 33 (before its repeal) that is attributable to the taxing district;
- 34 by
- 35 (ii) the STEP ONE sum.
- 36 STEP THREE: Multiply:
- 37 (i) the STEP TWO quotient; times
- 38 (ii) the total amount of the taxpayer's taxes (as defined in
- 39 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
- 40 that have been allocated during that year to an allocation
- 41 fund under this section.
- 42 If not all the taxpayers in an allocation area receive the credit



in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

The allocation fund may not be used for operating expenses of the



commission.

(4) Except as provided in subsection ~~(g)~~, **(h)**, before July 15 of each year, the commission shall ~~do the following:~~ **conduct a public hearing. Notice of the hearing shall be given in accordance with IC 5-3-1. The commission shall also provide a copy of the notice to the department of local government finance and each taxing unit within an allocation area governed by the commission at least ten (10) days before the hearing. The notice must include:**

- (A) estimated incremental revenues for the ensuing year;**
- (B) estimated obligations to be paid for the ensuing year;**
- (C) actual obligations paid in the previous year; and**
- (D) estimated fiscal impact to the taxing units if:**
 - (i) the commission captures the amount it intends to capture; and**
 - (ii) the commission releases all incremental assessed valuation.**

(5) At the close of the hearing, the commission shall:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Determine the tax increment replacement amount under IC 6-1.1-21.2-11.

(C) Present an estimate of tax increment revenues and financial obligations for the ensuing year.

~~(B)~~ **(c) Following the hearing, the commission shall** provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- ~~(i)~~ **(1)** state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1);~~ **subsection (b)(1);** or
- ~~(ii)~~ **(2)** state that the commission has determined that there is no



1 excess assessed value that may be allocated to the respective
 2 taxing units in the manner prescribed in ~~subdivision (1)~~.
 3 **subsection (b)(1).**

4 The county auditor shall allocate to the respective taxing units the
 5 amount, if any, of excess assessed value determined by the
 6 commission. The commission may not authorize an allocation of
 7 assessed value to the respective taxing units under this subdivision if
 8 to do so would endanger the interests of the holders of bonds described
 9 in ~~subdivision (3)~~ **subsection (b)(3)** or lessors under section 25.3 of
 10 this chapter.

11 ~~(e)~~ **(d)** For the purpose of allocating taxes levied by or for any taxing
 12 unit or units, the assessed value of taxable property in a territory in the
 13 allocation area that is annexed by any taxing unit after the effective
 14 date of the allocation provision of the declaratory resolution is the
 15 lesser of:

- 16 (1) the assessed value of the property for the assessment date with
- 17 respect to which the allocation and distribution is made; or
- 18 (2) the base assessed value.

19 ~~(d)~~ **(e)** Property tax proceeds allocable to the redevelopment district
 20 under subsection (b)(3) may, subject to subsection (b)(4), be
 21 irrevocably pledged by the redevelopment district for payment as set
 22 forth in subsection (b)(3).

23 ~~(e)~~ **(f)** Notwithstanding any other law, each assessor shall, upon
 24 petition of the redevelopment commission, reassess the taxable
 25 property situated upon or in, or added to, the allocation area, effective
 26 on the next assessment date after the petition.

27 ~~(f)~~ **(g)** Notwithstanding any other law, the assessed value of all
 28 taxable property in the allocation area, for purposes of tax limitation,
 29 property tax replacement, and formulation of the budget, tax rate, and
 30 tax levy for each political subdivision in which the property is located
 31 is the lesser of:

- 32 (1) the assessed value of the property as valued without regard to
- 33 this section; or
- 34 (2) the base assessed value.

35 ~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise
 36 zone created under IC 5-28-15, the unit that designated the allocation
 37 area shall create funds as specified in this subsection. A unit that has
 38 obligations, bonds, or leases payable from allocated tax proceeds under
 39 subsection (b)(3) shall establish an allocation fund for the purposes
 40 specified in subsection (b)(3) and a special zone fund. Such a unit
 41 shall, until the end of the enterprise zone phase out period, deposit each
 42 year in the special zone fund any amount in the allocation fund derived



from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

~~(h)~~ (i) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

- (1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;
- (2) may not produce less property tax proceeds allocable to the



1 redevelopment district under subsection (b)(3) than would
 2 otherwise have been received if the general reassessment, the
 3 reassessment under the reassessment plan, or the annual
 4 adjustment had not occurred; and

5 (3) may decrease base assessed value only to the extent that
 6 assessed values in the allocation area have been decreased due to
 7 annual adjustments or the reassessment under the reassessment
 8 plan.

9 Assessed value increases attributable to the application of an abatement
 10 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 11 value of an allocation area. The department of local government
 12 finance may prescribe procedures for county and township officials to
 13 follow to assist the department in making the adjustments.

14 (†) (j) The allocation deadline referred to in subsection (b) is
 15 determined in the following manner:

16 (1) The initial allocation deadline is December 31, 2011.

17 (2) Subject to subdivision (3), the initial allocation deadline and
 18 subsequent allocation deadlines are automatically extended in
 19 increments of five (5) years, so that allocation deadlines
 20 subsequent to the initial allocation deadline fall on December 31,
 21 2016, and December 31 of each fifth year thereafter.

22 (3) At least one (1) year before the date of an allocation deadline
 23 determined under subdivision (2), the general assembly may enact
 24 a law that:

25 (A) terminates the automatic extension of allocation deadlines
 26 under subdivision (2); and

27 (B) specifically designates a particular date as the final
 28 allocation deadline.

29 (k) After June 30, 2014, a redevelopment commission may not
 30 adopt a proposed declaratory resolution or an amendment to a
 31 declaratory resolution that includes a provision for the allocation
 32 and distribution of property taxes in accordance with subsection
 33 (b) if the allocation provision would establish or enlarge an
 34 allocation area in such a manner that, if the resolution or
 35 amendment were adopted:

36 (1) the aggregate geographic area included in allocation areas
 37 within the county would exceed twelve percent (12%) of the
 38 geographic area of the county; or

39 (2) the aggregate base assessed value included in allocation
 40 areas within the county would exceed twelve percent (12%) of
 41 the assessed value of property in the county;

42 unless each taxing unit wholly or partially located within the



allocation area first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution.

SECTION 38. IC 36-7-14-48, AS AMENDED BY P.L.203-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section ~~39(h)~~ **39(i)** of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before January 1, 2009, providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and

(d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection



(b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) (before its repeal) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before its repeal) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal) that under IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation



1 area for a program adopted under section 45 of this chapter may only
2 be used to do one (1) or more of the following:

3 (1) Accomplish one (1) or more of the actions set forth in section
4 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter
5 for property that is residential in nature.

6 (2) Reimburse the county or municipality for expenditures made
7 by the county or municipality in order to accomplish the housing
8 program in that allocation area.

9 The allocation fund may not be used for operating expenses of the
10 commission.

11 (f) Notwithstanding section 39(b) of this chapter, the commission
12 shall, relative to the allocation fund established under section 39(b) of
13 this chapter for an allocation area for a program adopted under section
14 45 of this chapter, do the following before July 15 of each year:

15 (1) Determine the amount, if any, by which the assessed value of
16 the taxable property in the allocation area for the most recent
17 assessment date minus the base assessed value, when multiplied
18 by the estimated tax rate of the allocation area, will exceed the
19 amount of assessed value needed to produce the property taxes
20 necessary to:

21 (A) make the distribution required under section 39(b)(2);

22 (B) make, when due, principal and interest payments on bonds
23 described in section 39(b)(3) of this chapter;

24 (C) pay the amount necessary for other purposes described in
25 section 39(b)(3) of this chapter; and

26 (D) reimburse the county or municipality for anticipated
27 expenditures described in subsection (e)(2).

28 (2) Provide a written notice to the county auditor, the fiscal body
29 of the county or municipality that established the department of
30 redevelopment, and the officers who are authorized to fix budgets,
31 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other
32 taxing units that is wholly or partly located within the allocation
33 area. The notice must:

34 (A) state the amount, if any, of excess property taxes that the
35 commission has determined may be paid to the respective
36 taxing units in the manner prescribed in section 39(b)(1) of
37 this chapter; or

38 (B) state that the commission has determined that there is no
39 excess assessed value that may be allocated to the respective
40 taxing units in the manner prescribed in subdivision (1).

41 The county auditor shall allocate to the respective taxing units the
42 amount, if any, of excess assessed value determined by the



1 commission.

2 (g) This subsection applies to an allocation area only to the extent
3 that the net assessed value of property that is assessed as residential
4 property under the rules of the department of local government finance
5 is not included in the base assessed value. If property tax installments
6 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in
7 installments established by the department of local government finance
8 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
9 allocation area is entitled to an additional credit under subsection (d)
10 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
11 installments. The credit shall be applied in the same proportion to each
12 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

13 SECTION 39. IC 36-7-14-52, AS ADDED BY P.L.7-2013,
14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2014]: Sec. 52. (a) Notwithstanding section 39(a) of this
16 chapter, with respect to the allocation and distribution of property taxes
17 for the accomplishment of the purposes of an age-restricted housing
18 program adopted under section 49 of this chapter, "base assessed
19 value" means the net assessed value of all of the property, other than
20 personal property, as finally determined for the assessment date
21 immediately preceding the effective date of the allocation provision, as
22 adjusted under section ~~39(h)~~ **39(i)** of this chapter.

23 (b) The allocation fund established under section 39(b) of this
24 chapter for the allocation area for an age-restricted housing program
25 adopted under section 49 of this chapter may be used only for purposes
26 related to the accomplishment of the purposes of the program,
27 including, but not limited to, the following:

28 (1) The construction of any infrastructure (including streets,
29 sidewalks, and sewers) or local public improvements in, serving,
30 or benefiting the allocation area.

31 (2) The acquisition of real property and interests in real property
32 within the allocation area.

33 (3) The preparation of real property in anticipation of
34 development of the real property within the allocation area.

35 (4) To do any of the following:

36 (A) Pay the principal of and interest on bonds or any other
37 obligations payable from allocated tax proceeds in the
38 allocation area that are incurred by the redevelopment district
39 for the purpose of financing or refinancing the age-restricted
40 housing program established under section 49 of this chapter
41 for the allocation area.

42 (B) Establish, augment, or restore the debt service reserve for



- 1 bonds payable solely or in part from allocated tax proceeds in
- 2 the allocation area.
- 3 (C) Pay the principal of and interest on bonds payable from
- 4 allocated tax proceeds in the allocation area and from the
- 5 special tax levied under section 27 of this chapter.
- 6 (D) Pay the principal of and interest on bonds issued by the
- 7 unit to pay for local public improvements that are physically
- 8 located in or physically connected to the allocation area.
- 9 (E) Pay premiums on the redemption before maturity of bonds
- 10 payable solely or in part from allocated tax proceeds in the
- 11 allocation area.
- 12 (F) Make payments on leases payable from allocated tax
- 13 proceeds in the allocation area under section 25.2 of this
- 14 chapter.
- 15 (G) Reimburse the unit for expenditures made by the unit for
- 16 local public improvements (which include buildings, parking
- 17 facilities, and other items described in section 25.1(a) of this
- 18 chapter) that are physically located in or physically connected
- 19 to the allocation area.
- 20 (c) Notwithstanding section 39(b) of this chapter, the commission
- 21 shall, relative to the allocation fund established under section 39(b) of
- 22 this chapter for an allocation area for an age-restricted housing program
- 23 adopted under section 49 of this chapter, do the following before July
- 24 15 of each year:
- 25 (1) Determine the amount, if any, by which the assessed value of
- 26 the taxable property in the allocation area for the most recent
- 27 assessment date minus the base assessed value, when multiplied
- 28 by the estimated tax rate of the allocation area, will exceed the
- 29 amount of assessed value needed to produce the property taxes
- 30 necessary to:
- 31 (A) make the distribution required under section 39(b)(2) of
- 32 this chapter;
- 33 (B) make, when due, principal and interest payments on bonds
- 34 described in section 39(b)(3) of this chapter;
- 35 (C) pay the amount necessary for other purposes described in
- 36 section 39(b)(3) of this chapter; and
- 37 (D) reimburse the county or municipality for anticipated
- 38 expenditures described in subsection (b)(2).
- 39 (2) Provide a written notice to the county auditor, the fiscal body
- 40 of the county or municipality that established the department of
- 41 redevelopment, and the officers who are authorized to fix budgets,
- 42 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other



1 taxing units that is wholly or partly located within the allocation
2 area. The notice must:

3 (A) state the amount, if any, of excess property taxes that the
4 commission has determined may be paid to the respective
5 taxing units in the manner prescribed in section 39(b)(1) of
6 this chapter; or

7 (B) state that the commission has determined that there is no
8 excess assessed value that may be allocated to the respective
9 taxing units in the manner prescribed in subdivision (1).

10 The county auditor shall allocate to the respective taxing units the
11 amount, if any, of excess assessed value determined by the
12 commission.

13 SECTION 40. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,
14 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2014]: Sec. 26. (a) As used in this section:

16 "Allocation area" means that part of a redevelopment project area
17 to which an allocation provision of a resolution adopted under section
18 8 of this chapter refers for purposes of distribution and allocation of
19 property taxes.

20 "Base assessed value" means the following:

21 (1) If an allocation provision is adopted after June 30, 1995, in a
22 declaratory resolution or an amendment to a declaratory
23 resolution establishing an economic development area:

24 (A) the net assessed value of all the property as finally
25 determined for the assessment date immediately preceding the
26 effective date of the allocation provision of the declaratory
27 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

28 (B) to the extent that it is not included in clause (A), the net
29 assessed value of property that is assessed as residential
30 property under the rules of the department of local government
31 finance, as finally determined for any assessment date after the
32 effective date of the allocation provision.

33 (2) If an allocation provision is adopted after June 30, 1997, in a
34 declaratory resolution or an amendment to a declaratory
35 resolution establishing a redevelopment project area:

36 (A) the net assessed value of all the property as finally
37 determined for the assessment date immediately preceding the
38 effective date of the allocation provision of the declaratory
39 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

40 (B) to the extent that it is not included in clause (A), the net
41 assessed value of property that is assessed as residential
42 property under the rules of the department of local government



finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection ~~(h)~~: (i).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~: (i).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

"Designated taxing unit" means a municipality, a township, a school corporation, a library, a public transportation corporation, and a health and hospital corporation.

"Obligation" includes currently outstanding bonds, leases, and contracts.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However,



the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) **Subject to subsection (k)**, a resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) **(j)** may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. **Subject to subsection (k)**, a resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) **(j)** in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after



being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:



- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

The special fund may not be used for operating expenses of the commission.

(4) Before July 15 of each year, the commission shall ~~do the following:~~ **conduct a public hearing. Notice of the hearing shall be given in accordance with IC 5-3-1. The commission shall also provide a copy of the notice to the department of local government finance and each taxing unit within an allocation area governed by the commission at least ten (10) days before the hearing. The notice must include:**

- (A) estimated incremental revenues for the ensuing year;
- (B) estimated obligations to be paid for the ensuing year;
- (C) actual obligations paid in the previous year; and
- (D) estimated fiscal impact to the taxing units if:



(i) the commission captures the amount it intends to capture; and

(ii) the commission releases all incremental assessed valuation.

(5) At the close of the hearing, the commission shall:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection ~~(g)~~ **(h)**.

(B) Determine the tax increment replacement amount under IC 6-1.1-21.2-11.

(C) Present an estimate of tax increment revenues and financial obligations for the ensuing year.

~~(B)~~ **(c) Following the hearing, the commission shall** provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

~~(i)~~ **(1)** state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~; **subsection (b)(1);** or

~~(ii)~~ **(2)** state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~; **subsection (b)(1).**

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in ~~subdivision (3)~~; **subsection (b)(3).**

~~(e)~~ **(d)** For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:



- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

~~(d)~~ **(e)** Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection ~~(b)(4)~~; **(b)(5)**, be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

~~(e)~~ **(f)** Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

~~(f)~~ **(g)** Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half



(1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

~~(h)~~ (i) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

~~(h)~~ (j) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines



subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

(k) After June 30, 2014, the commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:

(1) the aggregate geographic area included in allocation areas within the county would exceed ten percent (10%) of the geographic area of the county; or

(2) the aggregate base assessed value included in allocation areas within the county would exceed ten percent (10%) of the assessed value of property in the county;

unless each designated taxing unit wholly or partially located within the redevelopment district first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution.

SECTION 41. IC 36-7-15.1-26.2, AS AMENDED BY P.L.172-2011, SECTION 153, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26.2. (a) As used in this section, "depreciable personal property" refers to all of the designated taxpayer's depreciable personal property that is located in the allocation area.

(b) As used in this section, "designated taxpayer" means a taxpayer designated by the commission in a declaratory resolution adopted or amended under section 8 or 10.5 of this chapter, and with respect to which the commission finds that:

(1) taxes to be derived from the taxpayer's depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service for bonds issued under section 17 of this chapter or to make payments on leases payable under section 17.1 of this chapter in order to provide local public improvements for a



particular allocation area;

(2) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, transportation, or convention center hotel related projects or regulated amusement devices (as defined in IC 22-12-1-19.1) and related improvements; and

(3) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects, other than an amusement park or tourism industry project.

For purposes of subdivision (3), a convention center hotel project is not considered a retail, commercial, or residential project.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 26(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property of designated taxpayers in accordance with the procedures and limitations set forth in this section and section 26 of this chapter. If such a modification is included in the resolution, for purposes of section 26 of this chapter the term "base assessed value" with respect to the depreciable personal property of designated taxpayers means the net assessed value of the depreciable personal property as finally determined for the assessment date immediately preceding:

(1) the effective date of the modification, for modifications adopted before July 1, 1995; and

(2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section ~~26(h)~~ **26(i)** of this chapter.

SECTION 42. IC 36-7-15.1-36.3, AS AMENDED BY P.L.218-2013, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 36.3. (a) Not later than ~~March 15~~ **June 1** of each year, the commission or its designee shall file with the mayor a report setting out the commission's activities during the preceding calendar year.

(b) The report required by subsection (a) must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, an accounting of the tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the commission, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commission and the results



obtained. **The report must include the following information set forth for each tax increment financing district regarding the previous year:**

(1) Revenues received.

(2) Expenses paid.

(3) Fund balances.

(4) The amount and maturity date for all outstanding obligations.

(5) The amount paid on outstanding obligations.

(6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.

(c) A copy of each report filed under this section must be submitted to the department of local government finance **in an electronic format through the department's computer gateway.**

(d) Before August 1 each year, the commission shall also submit a report to the fiscal body. The report must include the following information set forth for each tax increment financing district regarding the previous year:

(1) Revenues received.

(2) Expenses paid.

(3) Fund balances.

(4) The amount and maturity date for all outstanding obligations.

(5) The amount paid on outstanding obligations.

(6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.

Before October 1 each year, the fiscal body shall compile the reports received for all the tax increment financing districts and submit a comprehensive report to the department of local government finance in the form required by the department of local government finance.

SECTION 43. IC 36-7-30-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. The military base reuse authority shall do the following:

(1) Investigate, study, and survey the area surrounding and the real property and structures that are part of a military base within the corporate boundaries of the unit.

(2) Investigate, study, and determine the means by which military base property may be reused by private enterprise to promote economic development within the unit or by state and local government to otherwise benefit the welfare of the citizens of the unit.



(3) Promote the reuse of military base property in the manner that best serves the interests of the unit and its inhabitants.

(4) Cooperate with the departments and agencies of the unit and of other governmental entities, including the state and the federal government, in the manner that best serves the purposes of this chapter.

~~(5) Make findings and reports on their activities under this section; and keep the reports available for inspection by the public.~~

(5) Prepare and submit reports containing the information specified by IC 36-7-14-13 in the manner prescribed by IC 36-7-14-13.

(6) Select and acquire military base property to be reused by private enterprise or state or local government under this chapter.

(7) Transfer acquired military base property and other real and personal property to private enterprise or state or local government in the manner that best serves the social and economic interests of the unit and the unit's inhabitants.

SECTION 44. IC 36-8-12-13, AS AMENDED BY P.L.208-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 13. (a) Except as provided in subsection (b), the volunteer fire department that responds first to an incident may impose a charge on the owner of property, the owner of a vehicle, or a responsible party (as defined in IC 13-11-2-191(e)) that is involved in a hazardous material or fuel spill or chemical or hazardous material related fire (as defined in IC 13-11-2-96(b)):

(1) that is responded to by the volunteer fire department; and

(2) that members of that volunteer fire department assisted in extinguishing, containing, or cleaning up.

A second or subsequently responding volunteer fire department may not impose a charge on an owner or responsible party under this section, although it may be entitled to reimbursement from the first responding volunteer fire department in accordance with an interlocal or other agreement.

(b) A volunteer fire department that is funded, in whole or in part:

(1) by taxes imposed by a unit; or

(2) by a contract with a unit;

may not impose a charge under subsection (a) on a natural person who resides or pays property taxes within the boundaries of the unit described in subdivision (1) or (2), unless the spill or the chemical or hazardous material fire poses an imminent threat to persons or property.



(c) The volunteer fire department shall bill the owner or responsible party of the vehicle for the total dollar value of the assistance that was provided, with that value determined by a method that the state fire marshal shall establish under section 16 of this chapter. A copy of the fire incident report to the state fire marshal must accompany the bill. This billing must take place within thirty (30) days after the assistance was provided. The owner or responsible party shall remit payment directly to the governmental unit providing the service. Any money that is collected under this section may be:

(1) deposited in the township firefighting fund established in IC 36-8-13-4;

(2) used to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment;** or

(3) used for the purchase of equipment, buildings, and property for firefighting, fire protection, and other emergency services.

(d) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana law and the fire marshal's schedule of fees.

(e) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(f) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

(g) The volunteer fire department may maintain a civil action to recover an unpaid charge that is imposed under subsection (a) and may, if it prevails, recover all costs of the action, including reasonable attorney's fees.

SECTION 45. IC 36-8-12-16, AS AMENDED BY P.L.208-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) A volunteer fire department that provides service within a jurisdiction served by the department may establish a schedule of charges for the services that the department provides not to exceed the state fire marshal's recommended schedule for services. The volunteer fire department or its agent may collect a service charge according to this schedule from the owner of property that receives service if the following conditions are met:

(1) At the following times, the department gives notice under



IC 5-3-1-4(d) in each political subdivision served by the department of the amount of the service charge for each service that the department provides:

- (A) Before the schedule of service charges is initiated.
- (B) When there is a change in the amount of a service charge.

(2) The property owner has not sent written notice to the department to refuse service by the department to the owner's property.

(3) The bill for payment of the service charge:

(A) is submitted to the property owner in writing within thirty (30) days after the services are provided;

(B) includes a copy of a fire incident report in the form prescribed by the state fire marshal, if the service was provided for an event that requires a fire incident report;

(C) must contain verification that the bill has been approved by the chief of the volunteer fire department; and

(D) must contain language indicating that correspondence from the property owner and any question from the property owner regarding the bill should be directed to the department.

(4) Payment is remitted directly to the governmental unit providing the service.

(b) A volunteer fire department shall use the revenue collected from the fire service charges under this section:

(1) for the purchase of equipment, buildings, and property for firefighting, fire protection, or other emergency services;

(2) for deposit in the township firefighting fund established under IC 36-8-13-4; or

(3) to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment.**

(c) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana law and the fire marshal's schedule of fees.

(d) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(e) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

(f) If at least twenty-five percent (25%) of the money received by a



1 volunteer fire department for providing fire protection or emergency
 2 services is received under one (1) or more contracts with one (1) or
 3 more political subdivisions (as defined in IC 34-6-2-110), the
 4 legislative body of a contracting political subdivision must approve the
 5 schedule of service charges established under subsection (a) before the
 6 schedule of service charges is initiated in that political subdivision.

7 (g) A volunteer fire department that:

8 (1) has contracted with a political subdivision to provide fire
 9 protection or emergency services; and

10 (2) charges for services under this section;

11 must submit a report to the legislative body of the political subdivision
 12 before April 1 of each year indicating the amount of service charges
 13 collected during the previous calendar year and how those funds have
 14 been expended.

15 (h) The state fire marshal shall annually prepare and publish a
 16 recommended schedule of service charges for fire protection services.

17 (i) The volunteer fire department or its agent may maintain a civil
 18 action to recover an unpaid service charge under this section and may,
 19 if it prevails, recover all costs of the action, including reasonable
 20 attorney's fees.

21 SECTION 46. IC 36-8-12-17, AS AMENDED BY P.L.208-2011,
 22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2014]: Sec. 17. (a) If a political subdivision has not imposed
 24 its own false alarm fee or service charge, a volunteer fire department
 25 that provides service within the jurisdiction may establish a service
 26 charge for responding to false alarms. The volunteer fire department
 27 may collect the false alarm service charge from the owner of the
 28 property if the volunteer fire department dispatches firefighting
 29 apparatus or personnel to a building or premises in the township in
 30 response to:

31 (1) an alarm caused by improper installation or improper
 32 maintenance; or

33 (2) a drill or test, if the fire department is not previously notified
 34 that the alarm is a drill or test.

35 However, if the owner of property that constitutes the owner's residence
 36 establishes that the alarm is under a maintenance contract with an
 37 alarm company and that the alarm company has been notified of the
 38 improper installation or maintenance of the alarm, the alarm company
 39 is liable for the payment of the fee or service charge.

40 (b) Before establishing a false alarm service charge, the volunteer
 41 fire department must provide notice under IC 5-3-1-4(d) in each
 42 political subdivision served by the department of the amount of the



1 false alarm service charge. The notice required by this subsection must
2 be given:

- 3 (1) before the false alarm service charge is initiated; and
- 4 (2) before a change in the amount of the false alarm service
5 charge.

6 (c) A volunteer fire department may not collect a false alarm service
7 charge from a property owner or alarm company unless the
8 department's bill for payment of the service charge:

- 9 (1) is submitted to the property owner in writing within thirty (30)
10 days after the false alarm; and
- 11 (2) includes a copy of a fire incident report in the form prescribed
12 by the state fire marshal.

13 (d) A volunteer fire department shall use the money collected from
14 the false alarm service charge imposed under this section:

- 15 (1) for the purchase of equipment, buildings, and property for fire
16 fighting, fire protection, or other emergency services;
- 17 (2) for deposit in the township firefighting fund established under
18 IC 36-8-13-4; or
- 19 (3) to pay principal and interest on a loan made by the department
20 of homeland security established by IC 10-19-2-1 or a division of
21 the department for the purchase of new or used firefighting and
22 other emergency equipment or apparatus, **including a loan made**
23 **from the public safety equipment revolving loan fund under**
24 **IC 10-19-11 for the purchase of public safety equipment.**

25 (e) If at least twenty-five percent (25%) of the money received by a
26 volunteer fire department for providing fire protection or emergency
27 services is received under one (1) or more contracts with one (1) or
28 more political subdivisions (as defined in IC 34-6-2-110), the
29 legislative body of a contracting political subdivision must approve the
30 false alarm service charge established under subsection (a) before the
31 service charge is initiated in that political subdivision.

32 (f) A volunteer fire department that:

- 33 (1) has contracted with a political subdivision to provide fire
34 protection or emergency services; and
- 35 (2) imposes a false alarm service charge under this section;

36 must submit a report to the legislative body of the political subdivision
37 before April 1 of each year indicating the amount of false alarm
38 charges collected during the previous calendar year and how those
39 funds have been expended.

40 (g) The volunteer fire department may maintain a civil action to
41 recover unpaid false alarm service charges imposed under this section
42 and may, if it prevails, recover all costs of the action, including



reasonable attorney's fees.

SECTION 47. IC 36-8-19-8, AS AMENDED BY P.L. 182-2009(ss), SECTION 443, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. (a) Upon the adoption of identical ordinances or resolutions, or both, by the participating units under section 6 of this chapter, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund, and money in the fund may not be used for any other expenses. Except as allowed in subsections (d) and (e) and section 8.5 of this chapter, the provider unit is not authorized to transfer money out of the fund at any time.

(b) The fund consists of the following:

- (1) All receipts from the tax imposed under this section.
- (2) Any money transferred to the fund by the provider unit as authorized under subsection (d).
- (3) Any receipts from a false alarm fee or service charge imposed by the participating units under IC 36-8-13-4.
- (4) Any money transferred to the fund by a participating unit under section 8.6 of this chapter.

(c) The provider unit, with the assistance of each of the other participating units, shall annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory. ~~plus~~ **The provider unit may maintain a reasonable operating balance, not to exceed one hundred twenty percent (20%) (120%)** of the budgeted expenses. Except as provided in IC 6-1.1-18.5-10.5, after estimating expenses and receipts of money, the provider unit shall establish the tax levy required to fund the estimated budget. The amount budgeted under this subsection shall be considered a part of each of the participating unit's budget.

(d) If the amount levied in a particular year is insufficient to cover the costs incurred in providing fire protection services within the territory, the provider unit may transfer from available sources to the fire protection territory fund the money needed to cover those costs. In this case:

- (1) the levy in the following year shall be increased by the amount required to be transferred; and
- (2) the provider unit is entitled to transfer the amount described



1 in subdivision (1) from the fund as reimbursement to the provider
2 unit.

3 (e) If the amount levied in a particular year exceeds the amount
4 necessary to cover the costs incurred in providing fire protection
5 services within the territory, the levy in the following year shall be
6 reduced by the amount of surplus money that is not transferred to the
7 equipment replacement fund established under section 8.5 of this
8 chapter. The amount that may be transferred to the equipment
9 replacement fund may not exceed five percent (5%) of the levy for that
10 fund for that year. Each participating unit must agree to the amount to
11 be transferred by adopting an ordinance (if the unit is a county or
12 municipality) or a resolution (if the unit is a township) that specifies an
13 identical amount to be transferred.

14 (f) The tax under this section is subject to the tax levy limitations
15 imposed under IC 6-1.1-18.5-10.5.

16 SECTION 48. [EFFECTIVE UPON PASSAGE] (a)
17 IC 6-1.1-12-10.1, IC 6-1.1-12-12, IC 6-1.1-12-15, IC 6-1.1-12-17,
18 IC 6-1.1-12-17.5, IC 6-1.1-12-27.1, IC 6-1.1-12-30, IC 6-1.1-12-35.5,
19 IC 6-1.1-12-38, IC 6-1.1-12-45, IC 6-1.1-12.6-3, and IC 6-1.1-12.8-4,
20 all as amended by this act, apply to deductions claimed for
21 assessment dates after February 28, 2014.

22 (b) This SECTION expires July 1, 2018.

23 SECTION 49. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 7, delete "IC 36-7-14-39(i)" and insert "**IC 36-7-14-39(j)**".

Page 4, line 7, strike "IC 36-7-15.1-26(g)." and insert "**IC 36-7-15.1-26(h)**".

Page 5, line 15, delete "to the electric rail service fund established by" and insert "**for railroad car maintenance and improvements provided under IC 6-1.1-8.2.**".

Page 5, delete line 16.

Page 19, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in subsections (c), ~~and~~ (d), **and (i)**, a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given:
 - (A) the proper credit under IC 6-1.1-20.6-7.5 for property taxes imposed for an assessment date after January 15, 2011;
 - (B) any other credit permitted by law;
 - (C) an exemption permitted by law; or
 - (D) a deduction permitted by law.

(b) **Subject to subsection (i)**, the county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the



department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor (if any).
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

(i) A taxpayer is not entitled to relief under this section unless the taxpayer files a petition to correct an error:



(1) with the auditor of the county in which the taxes were originally paid; and

(2) within three (3) years after the taxes were first due."

Page 21, delete lines 12 through 42.

Page 22, delete lines 1 through 26.

Page 25, line 24, reset in roman "a public library" and insert **"that has its proposed budget and proposed property tax levy approved under section 20.3 of this chapter"**.

Page 25, line 25, reset in roman "or".

Page 25, line 26, after "." insert **"The term includes a public library that has a taxing district located within at least two (2) counties."**

Page 26, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20.3. (a) This section applies only to the governing body of a public library that:

(1) governs a taxing district that is located within a single county;

(+ (2)) is not comprised of a majority of officials who are elected to serve on the governing body; and

(- (3)) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library is entirely contained within a city or town; or

(2) the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town;



the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 24. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

(b) If the additional appropriation by the political subdivision is made from a fund that receives:

- (1) distributions from the motor vehicle highway account established under IC 8-14-1-1 or the local road and street account established under IC 8-14-2-4; or



(2) revenue from property taxes levied under IC 6-1.1; the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance.

(f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.

(g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:

(1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the



political subdivision; and

(2) state with reasonable specificity the reason for the request.

The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

(k) This subsection applies to a public library that:

(1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and

(2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~, **IC 6-1.1-17-20.3(d)**, as appropriate."

Delete pages 27 through 28.

Page 29, delete lines 1 through 35, begin a new paragraph and insert:

"SECTION 26. IC 6-1.1-18-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) As used in this section, "qualified taxing unit" refers to the following taxing units:**

(1) DeKalb County.

(2) The town of Middlebury in Elkhart County.

(b) Before July 1, 2014, the department shall calculate and certify to the fiscal body of a qualified taxing unit the result of:

(1) the amount of the property tax levy that could have been imposed for property taxes first due and payable in 2014, if the budgets and levies of the qualified taxing unit had been



properly advertised; minus

(2) the amount of the property tax levy approved by the department under IC 6-1.1-17 for property taxes first due and payable in calendar year 2014, after reducing the qualified taxing unit's budget and property tax levy because the qualified taxing unit's budget and property tax levy information were not properly advertised.

(c) After receiving the certifications required under subsection (b), the fiscal body of a qualified taxing unit may adopt an ordinance authorizing the qualified taxing unit to borrow money from a financial institution to replace part or all of the amount certified under subsection (b).

(d) If a qualified taxing unit receives a loan under this section, the fiscal officer of the qualified taxing unit shall deposit the loan in each fund affected by the reduction of the qualified taxing unit's budget and property tax levy. The amount deposited may be used for any of the lawful purposes of that fund.

(e) If a qualified taxing unit borrows money under subsection (c), the qualified taxing unit shall impose a property tax levy in calendar year 2015 for the qualified taxing unit's debt service fund to repay the total amount borrowed. The property tax levy under this subsection must be treated as:

(1) protected taxes (as defined in IC 6-1.1-20.6-9.8); and

(2) property taxes that are exempt from the levy limitations of IC 6-1.1-18.5.

(f) This section expires June 30, 2016."

Page 34, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 32. IC 36-7-14-15.5, AS AMENDED BY P.L. 119-2012, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15.5. (a) This section applies to a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

(b) In adopting a declaratory resolution under section 15 of this chapter, a redevelopment commission may include a provision stating that the redevelopment project area is considered to include one (1) or more additional areas outside the boundaries of the redevelopment project area if the redevelopment commission makes the following findings and the requirements of subsection (c) are met:

(1) One (1) or more taxpayers presently located within the boundaries of the redevelopment project area are expected within one (1) year to relocate all or part of their operations outside the boundaries of the redevelopment project area and have expressed



an interest in relocating all or part of their operations within the boundaries of an additional area.

(2) The relocation described in subdivision (1) will contribute to the continuation of the conditions described in IC 36-7-1-3 in the redevelopment project area.

(3) For purposes of this section, it will be of public utility and benefit to include the additional areas as part of the redevelopment project area.

(c) Each additional area must be designated by the redevelopment commission as a redevelopment project area or an economic development area under this chapter.

(d) Notwithstanding section 3 of this chapter, the additional areas shall be considered to be a part of the redevelopment special taxing district under the jurisdiction of the redevelopment commission. Any excess property taxes that the commission has determined may be paid to taxing units under section ~~39(b)(4)~~ **(39)(b)(5)** of this chapter shall be paid to the taxing units from which the excess property taxes were derived. All powers of the redevelopment commission authorized under this chapter may be exercised by the redevelopment commission in additional areas under its jurisdiction.

(e) The declaratory resolution must include a statement of the general boundaries of each additional area. However, it is sufficient to describe those boundaries by location in relation to public ways, streams, or otherwise, as determined by the commissioners.

(f) The declaratory resolution may include a provision with respect to the allocation and distribution of property taxes with respect to one (1) or more of the additional areas in the manner provided in section 39 of this chapter. If the redevelopment commission includes such a provision in the resolution, allocation areas in the redevelopment project area and in the additional areas considered to be part of the redevelopment project area shall be considered a single allocation area for purposes of this chapter.

(g) The additional areas must be located within the same county as the redevelopment project area but are not otherwise required to be within the jurisdiction of the redevelopment commission, if the redevelopment commission obtains the consent by ordinance of:

- (1) the county legislative body, for each additional area located within the unincorporated part of the county; or
- (2) the legislative body of the city or town affected, for each additional area located within a city or town.

In granting its consent, the legislative body shall approve the plan of development or redevelopment relating to the additional area.



(h) A declaratory resolution previously adopted may be amended to include a provision to include additional areas as set forth in this section and an allocation provision under section 39 of this chapter with respect to one (1) or more of the additional areas in accordance with sections 15, 16, and 17 of this chapter.

(i) The redevelopment commission may amend the allocation provision of a declaratory resolution in accordance with sections 15, 16, and 17 of this chapter to change the assessment date that determines the base assessed value of property in the allocation area to any assessment date following the effective date of the allocation provision of the declaratory resolution. Such a change may relate to the assessment date that determines the base assessed value of that portion of the allocation area that is located in the redevelopment project area alone, that portion of the allocation area that is located in an additional area alone, or the entire allocation area."

Page 34, line 35, delete "(j);" and insert "(i);".

Page 35, line 5, delete "(j);" and insert "(i);".

Page 35, line 21, delete "(j)." and insert "(i)."

Page 35, line 26, delete "(j)." and insert "(i)."

Page 36, line 8, delete "A" and insert "**Subject to subsection (k), a**".

Page 36, line 12, delete "A" and insert "**Subject to subsection (k), a**".

Page 39, line 29, delete "(i)," and insert "(h),".

Page 40, delete lines 17 through 28.

Page 40, line 29, delete "(d)" and insert "(c)".

Page 40, line 36, reset in roman "commission".

Page 40, line 36, delete "fiscal body".

Page 40, line 39, reset in roman "commission".

Page 40, line 39, delete "fiscal body".

Page 41, delete line 1.

Page 41, line 2, delete "with the written notice."

Page 41, line 4, after "the" reset in roman "commission".

Page 41, line 4, delete "fiscal body".

Page 41, line 4, after "The" reset in roman "commission".

Page 41, line 4, delete "fiscal".

Page 41, line 5, delete "body".

Page 41, line 9, delete "(e)" and insert "(d)".

Page 41, line 17, delete "(f)" and insert "(e)".

Page 41, line 21, delete "(g)" and insert "(f)".

Page 41, line 25, delete "(h)" and insert "(g)".

Page 41, line 33, delete "(i)" and insert "(h)".

Page 42, line 23, delete "(j)" and insert "(i)".



Page 43, line 12, delete "(k)" and insert "(j)".

Page 43, between lines 26 and 27, begin a new paragraph and insert:

"(k) After June 30, 2014, a redevelopment commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:

(1) the aggregate geographic area included in allocation areas within the county would exceed twelve percent (12%) of the geographic area of the county; or

(2) the aggregate base assessed value included in allocation areas within the county would exceed twelve percent (12%) of the assessed value of property in the county;

unless each taxing unit wholly or partially located within the allocation area first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution."

Page 43, line 35, delete "39(j)" and insert "**39(i)**".

Page 47, line 4, delete "39(j)" and insert "**39(i)**".

Page 48, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 35. IC 36-7-15.1-26, AS AMENDED BY P.L. 112-2012, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~; (i); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a



declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection ~~(h)~~; **(i)**.

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~; **(i)**.

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

"Obligation" includes currently outstanding bonds, leases, and contracts.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment



commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) **Subject to subsection (k)**, a resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection ~~(i)~~ **(j)** may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. **Subject to subsection (k)**, a resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection ~~(i)~~ **(j)** in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
 - (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;
 - or



(B) the base assessed value;
shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.



(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

The special fund may not be used for operating expenses of the commission.

(4) Before July 15 of each year, the commission shall ~~do the following:~~ **conduct a public hearing. Notice of the hearing shall be given in accordance with IC 5-3-1. The commission shall also provide a copy of the notice to the department of local government finance and each taxing unit within an**



allocation area governed by the commission at least ten (10) days before the hearing. The notice must include:

- (A) estimated incremental revenues for the ensuing year;
- (B) estimated obligations to be paid for the ensuing year;
- (C) actual obligations paid in the previous year; and
- (D) estimated fiscal impact to the taxing units if:
 - (i) the commission captures the amount it intends to capture; and
 - (ii) the commission releases all incremental assessed valuation.

(5) At the close of the hearing, the commission shall:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection ~~(g)~~: **(h)**.

(B) Determine the tax increment replacement amount under IC 6-1.1-21.2-11.

(C) Present an estimate of tax increment revenues and financial obligations for the ensuing year.

~~(B)~~ **(c) Following the hearing, the commission shall** provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- ~~(i)~~ **(1)** state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~: **subsection (b)(1)**; or
- ~~(ii)~~ **(2)** state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~: **subsection (b)(1)**.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would



endanger the interests of the holders of bonds described in ~~subdivision (3)~~. **subsection (b)(3).**

~~(c)~~ **(d)** For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

~~(d)~~ **(e)** Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection ~~(b)(4)~~; **(b)(5)**, be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

~~(e)~~ **(f)** Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

~~(f)~~ **(g)** Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise



zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

~~(h)~~ (i) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.



⊕ (j) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
 - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
 - (B) specifically designates a particular date as the final allocation deadline.

(k) After June 30, 2014, the commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:

- (1) the aggregate geographic area included in allocation areas within the county would exceed ten percent (10%) of the geographic area of the county; or**
- (2) the aggregate base assessed value included in allocation areas within the county would exceed ten percent (10%) of the assessed value of property in the county;**

unless each designated taxing unit wholly or partially located within the redevelopment district first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution.

SECTION 26. IC 36-7-15.1-26.2, AS AMENDED BY P.L.172-2011, SECTION 153, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26.2. (a) As used in this section, "depreciable personal property" refers to all of the designated taxpayer's depreciable personal property that is located in the allocation area.

(b) As used in this section, "designated taxpayer" means a taxpayer designated by the commission in a declaratory resolution adopted or amended under section 8 or 10.5 of this chapter, and with respect to which the commission finds that:



(1) taxes to be derived from the taxpayer's depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service for bonds issued under section 17 of this chapter or to make payments on leases payable under section 17.1 of this chapter in order to provide local public improvements for a particular allocation area;

(2) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, transportation, or convention center hotel related projects or regulated amusement devices (as defined in IC 22-12-1-19.1) and related improvements; and

(3) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects, other than an amusement park or tourism industry project.

For purposes of subdivision (3), a convention center hotel project is not considered a retail, commercial, or residential project.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 26(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property of designated taxpayers in accordance with the procedures and limitations set forth in this section and section 26 of this chapter. If such a modification is included in the resolution, for purposes of section 26 of this chapter the term "base assessed value" with respect to the depreciable personal property of designated taxpayers means the net assessed value of the depreciable personal property as finally determined for the assessment date immediately preceding:

(1) the effective date of the modification, for modifications adopted before July 1, 1995; and

(2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section ~~26(h)~~ **26(i)** of this chapter."

Page 51, line 13, strike "operating".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1266 as introduced.)

BROWN T, Chair

Committee Vote: yeas 16, nays 5.

HB 1266—LS 6991/DI 73



HOUSE MOTION

Mr. Speaker: I move that House Bill 1266 be amended to read as follows:

Page 26, line 4, after "counties" delete "." and insert "**and also has total annual appropriations of more than two million dollars (\$2,000,000).**".

Page 27, line 8, after "county" delete ";" and insert "**or, in the case of a public library that governs a taxing district within at least two (2) counties, has total annual appropriations of not more than two million dollars (\$2,000,000);**".

(Reference is to HB 1266 as printed January 28, 2014.)

NEGELE

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1266 be amended to read as follows:

Page 33, between lines 12 and 13, begin a new paragraph and insert:
 "SECTION 29. IC 10-19-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

Chapter 11. Public Safety Equipment Revolving Loan Fund

Sec. 1. As used in this chapter, "division" refers to the division of preparedness and training established by IC 10-19-5-1.

Sec. 2. As used in this chapter, "fund" refers to the public safety equipment revolving loan fund established by section 6 of this chapter.

Sec. 3. As used in this chapter, "public safety equipment" includes new or used equipment or apparatus for firefighting, law enforcement, emergency medical, or other emergency services.

Sec. 4. As used in this chapter, "purchaser" has the meaning set forth in IC 4-13-1-25(c).

Sec. 5. As used in this chapter, "qualified purchaser" means a purchaser that the division has approved for a loan from the fund.

Sec. 6. (a) The public safety equipment revolving loan fund is established to:

- (1) provide loans to purchasers for the purchase of public safety equipment; and**
- (2) pay the costs of administering this chapter.**



(b) The division shall administer the fund.

(c) The fund consists of the following:

- (1) Amounts appropriated to the fund by the general assembly.
- (2) Repayment proceeds, including interest, of loans made from the fund.
- (3) Donations, grants, and money received from any other source.
- (4) Amounts transferred to the fund under IC 22-14-6-9.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a fiscal year does not revert to the state general fund.

(f) The fund is subject to an annual audit by the state board of accounts. The cost of the audit shall be paid from the fund.

Sec. 7. (a) The division shall do the following:

- (1) Establish the policies and procedures to be used in administering the fund.
- (2) Specify the information that a purchaser must submit with a loan application.
- (3) Establish a loan priority rating system.
- (4) Prescribe the forms to be used in administering the fund.
- (5) Prescribe the persons authorized to execute loan documents on behalf of a qualified purchaser.
- (6) Take other actions necessary to implement this chapter.

(b) The executive director, in consultation with the division, may adopt rules under IC 4-22-2 to implement this section.

(c) The division may enter into contracts necessary to administer this chapter, including contracts for the servicing of loans.

Sec. 8. The total amount of loans under this chapter that may be outstanding at any time may not exceed five million dollars (\$5,000,000).

Sec. 9. The total amount of loans under this chapter that may be outstanding at any time to a single loan recipient may not exceed one hundred fifty thousand dollars (\$150,000).

Sec. 10. (a) The division shall do the following:

- (1) Review and approve or disapprove applications for loans from the fund.
- (2) Establish the terms of loans from the fund.
- (3) Manage loans from the fund.



(b) The division shall review applications for loans from the fund on June 1 and December 1 of each calendar year. The deadline for submitting an application is:

- (1) May 17, to be eligible for review on June 1; or
- (2) November 16, to be eligible for review on December 1.

An application received after a deadline has passed is eligible for review on the next review date.

Sec. 11. (a) The division shall assign a loan priority rating to each application under this chapter.

(b) A loan priority rating must be assigned in conformity with the loan priority rating system established under section 7(a)(3) of this chapter.

(c) A loan priority rating that is assigned to an applicant must reflect the need of the applicant relative to the need of all other applicants during the same review period.

(d) The division shall make loans available to qualified purchasers in descending order beginning with the qualified purchaser with the highest loan priority rating.

Sec. 12. A loan under this chapter is subject to the following conditions:

- (1) The qualified purchaser may use the loan only for:
 - (A) the purchase of public safety equipment; and
 - (B) legal or other incidental expenses directly related to acquiring the public safety equipment.
- (2) The repayment period may not exceed seven (7) years.
- (3) The amount of the loan may not be less than ten thousand dollars (\$10,000).
- (4) The interest rate is to be set by the state board of finance at a rate that is not more than two percent (2%) below the prime bank lending rate prevailing at the time the application is approved.
- (5) All interest reverts to the fund.
- (6) The loan must be repaid in installments, including interest on the unpaid balance of the loan.
- (7) The repayment of principal may be deferred for a period not to exceed two (2) years.
- (8) The repayment of the loan may be limited to a specified revenue source of the recipient. If the repayment is limited under this subdivision, the repayment:
 - (A) is not a general obligation of the recipient; and
 - (B) is payable solely from the specified revenue source.
- (9) The loan is not subject to a prepayment penalty.



(10) The division shall have a security interest for the balance of the loan, accrued interest, penalties, and collection expenses in the public safety equipment purchased with the proceeds of the loan.

(11) Any other conditions the division considers appropriate.

Sec. 13. Notwithstanding any other law, a loan to a qualified purchaser under this chapter may be directly negotiated with the division without public sale of bonds or other evidences of indebtedness of the qualified purchaser.

Sec. 14. Before applying for a loan under this chapter, a purchaser must obtain the approval of the fiscal unit of the purchaser, or the fiscal unit that contracts with the purchaser, if:

- (1) the fiscal unit provides more than twenty-five percent (25%) of the purchaser's revenue in the year the purchaser applies for the loan; and
- (2) any part of the loan will be repaid from funds paid to the purchaser by the fiscal unit.

Sec. 15. A loan from the fund does not constitute the lending of credit by the state for purposes of any other statute or the Constitution of the State of Indiana.

Sec. 16. If a qualified purchaser fails to repay a loan under this chapter or is in any way indebted to the fund for any amount incurred or accrued, the amount payable may be recovered in an action by the state on relation of the department that is prosecuted by the attorney general in the circuit or superior court of the county in which the recipient is located.

SECTION 30. IC 22-14-6-8 IS REPEALED [EFFECTIVE JULY 1, 2014]. Sec. 8: (a) Notwithstanding the repeal of IC 22-14-5, the firefighting and emergency equipment revolving loan fund established by IC 22-14-5-1 (before its repeal) remains in existence after June 30, 2007, if any money remains in the fund on June 30, 2007. Money that remains in the firefighting and emergency equipment revolving loan fund on June 30, 2007, does not revert to the state general fund. Deposits or transfers may not be made to the firefighting and emergency equipment revolving loan fund; and new loans may not be made from the firefighting and emergency equipment revolving loan fund after June 30, 2007.

(b) Money remaining in the firefighting and emergency equipment revolving loan fund on June 30, 2007, must be transferred before August 1, 2007, to the fund.

(c) If money in the firefighting and emergency equipment revolving loan fund is transferred under subsection (b), the firefighting and



emergency equipment revolving loan fund is abolished immediately after the transfer under subsection (b) is completed.

(d) Notwithstanding the repeal of IC 22-14-5, if a loan provided under IC 22-14-5-1 (before its repeal) remains outstanding on June 30, 2007, the qualified entity to whom the loan was provided shall repay the loan, subject to the original terms and conditions of the loan, to the department of homeland security established by IC 10-19-2-1 for deposit in the fund.

(e) This section expires on the later of the following:

(1) August 1, 2007.

(2) The date on which the last outstanding loan provided under IC 22-14-5-1 (before its repeal) is repaid to the department of homeland security under subsection (d).

SECTION 31. IC 22-14-6-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 9. (a) Not later than December 1, 2014, the division shall transfer from the fund to the public safety equipment revolving loan fund established by IC 10-19-11-6 an amount equal to the amount of any loan repayments deposited in the fund under section 8(d) of this chapter (before its repeal).**

(b) This section expires on the earlier of the following dates:

(1) The date on which the transfer described in subsection (a) is complete.

(2) January 1, 2015."

Page 63, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 44. IC 36-8-12-13, AS AMENDED BY P.L.208-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 13. (a) Except as provided in subsection (b), the volunteer fire department that responds first to an incident may impose a charge on the owner of property, the owner of a vehicle, or a responsible party (as defined in IC 13-11-2-191(e)) that is involved in a hazardous material or fuel spill or chemical or hazardous material related fire (as defined in IC 13-11-2-96(b)):**

(1) that is responded to by the volunteer fire department; and

(2) that members of that volunteer fire department assisted in extinguishing, containing, or cleaning up.

A second or subsequently responding volunteer fire department may not impose a charge on an owner or responsible party under this section, although it may be entitled to reimbursement from the first responding volunteer fire department in accordance with an interlocal or other agreement.

(b) A volunteer fire department that is funded, in whole or in part:



(1) by taxes imposed by a unit; or

(2) by a contract with a unit;

may not impose a charge under subsection (a) on a natural person who resides or pays property taxes within the boundaries of the unit described in subdivision (1) or (2), unless the spill or the chemical or hazardous material fire poses an imminent threat to persons or property.

(c) The volunteer fire department shall bill the owner or responsible party of the vehicle for the total dollar value of the assistance that was provided, with that value determined by a method that the state fire marshal shall establish under section 16 of this chapter. A copy of the fire incident report to the state fire marshal must accompany the bill. This billing must take place within thirty (30) days after the assistance was provided. The owner or responsible party shall remit payment directly to the governmental unit providing the service. Any money that is collected under this section may be:

(1) deposited in the township firefighting fund established in IC 36-8-13-4;

(2) used to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment;** or

(3) used for the purchase of equipment, buildings, and property for firefighting, fire protection, and other emergency services.

(d) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana law and the fire marshal's schedule of fees.

(e) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(f) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

(g) The volunteer fire department may maintain a civil action to recover an unpaid charge that is imposed under subsection (a) and may, if it prevails, recover all costs of the action, including reasonable attorney's fees.

SECTION 45. IC 36-8-12-16, AS AMENDED BY P.L.208-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) A volunteer fire department that provides



service within a jurisdiction served by the department may establish a schedule of charges for the services that the department provides not to exceed the state fire marshal's recommended schedule for services. The volunteer fire department or its agent may collect a service charge according to this schedule from the owner of property that receives service if the following conditions are met:

- (1) At the following times, the department gives notice under IC 5-3-1-4(d) in each political subdivision served by the department of the amount of the service charge for each service that the department provides:
 - (A) Before the schedule of service charges is initiated.
 - (B) When there is a change in the amount of a service charge.
- (2) The property owner has not sent written notice to the department to refuse service by the department to the owner's property.
- (3) The bill for payment of the service charge:
 - (A) is submitted to the property owner in writing within thirty (30) days after the services are provided;
 - (B) includes a copy of a fire incident report in the form prescribed by the state fire marshal, if the service was provided for an event that requires a fire incident report;
 - (C) must contain verification that the bill has been approved by the chief of the volunteer fire department; and
 - (D) must contain language indicating that correspondence from the property owner and any question from the property owner regarding the bill should be directed to the department.
- (4) Payment is remitted directly to the governmental unit providing the service.
- (b) A volunteer fire department shall use the revenue collected from the fire service charges under this section:
 - (1) for the purchase of equipment, buildings, and property for firefighting, fire protection, or other emergency services;
 - (2) for deposit in the township firefighting fund established under IC 36-8-13-4; or
 - (3) to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment.**
- (c) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana



law and the fire marshal's schedule of fees.

(d) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(e) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

(f) If at least twenty-five percent (25%) of the money received by a volunteer fire department for providing fire protection or emergency services is received under one (1) or more contracts with one (1) or more political subdivisions (as defined in IC 34-6-2-110), the legislative body of a contracting political subdivision must approve the schedule of service charges established under subsection (a) before the schedule of service charges is initiated in that political subdivision.

(g) A volunteer fire department that:

- (1) has contracted with a political subdivision to provide fire protection or emergency services; and
- (2) charges for services under this section;

must submit a report to the legislative body of the political subdivision before April 1 of each year indicating the amount of service charges collected during the previous calendar year and how those funds have been expended.

(h) The state fire marshal shall annually prepare and publish a recommended schedule of service charges for fire protection services.

(i) The volunteer fire department or its agent may maintain a civil action to recover an unpaid service charge under this section and may, if it prevails, recover all costs of the action, including reasonable attorney's fees.

SECTION 46. IC 36-8-12-17, AS AMENDED BY P.L.208-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) If a political subdivision has not imposed its own false alarm fee or service charge, a volunteer fire department that provides service within the jurisdiction may establish a service charge for responding to false alarms. The volunteer fire department may collect the false alarm service charge from the owner of the property if the volunteer fire department dispatches firefighting apparatus or personnel to a building or premises in the township in response to:

- (1) an alarm caused by improper installation or improper maintenance; or
- (2) a drill or test, if the fire department is not previously notified that the alarm is a drill or test.

However, if the owner of property that constitutes the owner's residence



establishes that the alarm is under a maintenance contract with an alarm company and that the alarm company has been notified of the improper installation or maintenance of the alarm, the alarm company is liable for the payment of the fee or service charge.

(b) Before establishing a false alarm service charge, the volunteer fire department must provide notice under IC 5-3-1-4(d) in each political subdivision served by the department of the amount of the false alarm service charge. The notice required by this subsection must be given:

- (1) before the false alarm service charge is initiated; and
- (2) before a change in the amount of the false alarm service charge.

(c) A volunteer fire department may not collect a false alarm service charge from a property owner or alarm company unless the department's bill for payment of the service charge:

- (1) is submitted to the property owner in writing within thirty (30) days after the false alarm; and
- (2) includes a copy of a fire incident report in the form prescribed by the state fire marshal.

(d) A volunteer fire department shall use the money collected from the false alarm service charge imposed under this section:

- (1) for the purchase of equipment, buildings, and property for fire fighting, fire protection, or other emergency services;
- (2) for deposit in the township firefighting fund established under IC 36-8-13-4; or
- (3) to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment.**

(e) If at least twenty-five percent (25%) of the money received by a volunteer fire department for providing fire protection or emergency services is received under one (1) or more contracts with one (1) or more political subdivisions (as defined in IC 34-6-2-110), the legislative body of a contracting political subdivision must approve the false alarm service charge established under subsection (a) before the service charge is initiated in that political subdivision.

(f) A volunteer fire department that:

- (1) has contracted with a political subdivision to provide fire protection or emergency services; and
- (2) imposes a false alarm service charge under this section;



must submit a report to the legislative body of the political subdivision before April 1 of each year indicating the amount of false alarm charges collected during the previous calendar year and how those funds have been expended.

(g) The volunteer fire department may maintain a civil action to recover unpaid false alarm service charges imposed under this section and may, if it prevails, recover all costs of the action, including reasonable attorney's fees."

Renumber all SECTIONS consecutively.

(Reference is to HB 1266 as printed January 28, 2014.)

MACER

HOUSE MOTION

Mr. Speaker: I move that House Bill 1266 be amended to read as follows:

Page 53, between lines 19 and 20, begin a new paragraph and insert:

""Designated taxing unit" means a municipality, a township, a school corporation, a library, a public transportation corporation, and a health and hospital corporation."

Page 62, reset in roman lines 6 through 21.

(Reference is to HB 1266 as printed January 28, 2014.)

PRYOR



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1266, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 7, delete "IC 36-7-14-39(i)" and insert "**IC 36-7-14-39(j)**".

Page 4, line 7, strike "IC 36-7-15.1-26(g)." and insert "**IC 36-7-15.1-26(h)**".

Page 5, line 15, delete "to the electric rail service fund established by" and insert "**for railroad car maintenance and improvements provided under IC 6-1.1-8.2.**".

Page 5, delete line 16.

Page 19, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in subsections (c), ~~and~~ (d), **and (i)**, a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given:
 - (A) the proper credit under IC 6-1.1-20.6-7.5 for property taxes imposed for an assessment date after January 15, 2011;
 - (B) any other credit permitted by law;
 - (C) an exemption permitted by law; or
 - (D) a deduction permitted by law.

(b) **Subject to subsection (i)**, the county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the



department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor (if any).
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

(i) A taxpayer is not entitled to relief under this section unless the taxpayer files a petition to correct an error:



(1) with the auditor of the county in which the taxes were originally paid; and

(2) within three (3) years after the taxes were first due."

Page 21, delete lines 12 through 42.

Page 22, delete lines 1 through 26.

Page 25, line 24, reset in roman "a public library" and insert **"that has its proposed budget and proposed property tax levy approved under section 20.3 of this chapter"**.

Page 25, line 25, reset in roman "or".

Page 25, line 26, after "." insert **"The term includes a public library that has a taxing district located within at least two (2) counties."**

Page 26, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20.3. (a) This section applies only to the governing body of a public library that:

(1) governs a taxing district that is located within a single county;

(+ (2)) is not comprised of a majority of officials who are elected to serve on the governing body; and

(- (3)) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library is entirely contained within a city or town; or

(2) the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town;



the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 24. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

(b) If the additional appropriation by the political subdivision is made from a fund that receives:

- (1) distributions from the motor vehicle highway account established under IC 8-14-1-1 or the local road and street account established under IC 8-14-2-4; or



(2) revenue from property taxes levied under IC 6-1.1; the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance.

(f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.

(g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:

(1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the



political subdivision; and

(2) state with reasonable specificity the reason for the request.

The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

(k) This subsection applies to a public library that:

(1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and

(2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~, **IC 6-1.1-17-20.3(d)**, as appropriate."

Delete pages 27 through 28.

Page 29, delete lines 1 through 35, begin a new paragraph and insert:

"SECTION 26. IC 6-1.1-18-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) As used in this section, "qualified taxing unit" refers to the following taxing units:**

(1) DeKalb County.

(2) The town of Middlebury in Elkhart County.

(b) Before July 1, 2014, the department shall calculate and certify to the fiscal body of a qualified taxing unit the result of:

(1) the amount of the property tax levy that could have been imposed for property taxes first due and payable in 2014, if the budgets and levies of the qualified taxing unit had been



properly advertised; minus

(2) the amount of the property tax levy approved by the department under IC 6-1.1-17 for property taxes first due and payable in calendar year 2014, after reducing the qualified taxing unit's budget and property tax levy because the qualified taxing unit's budget and property tax levy information were not properly advertised.

(c) After receiving the certifications required under subsection (b), the fiscal body of a qualified taxing unit may adopt an ordinance authorizing the qualified taxing unit to borrow money from a financial institution to replace part or all of the amount certified under subsection (b).

(d) If a qualified taxing unit receives a loan under this section, the fiscal officer of the qualified taxing unit shall deposit the loan in each fund affected by the reduction of the qualified taxing unit's budget and property tax levy. The amount deposited may be used for any of the lawful purposes of that fund.

(e) If a qualified taxing unit borrows money under subsection (c), the qualified taxing unit shall impose a property tax levy in calendar year 2015 for the qualified taxing unit's debt service fund to repay the total amount borrowed. The property tax levy under this subsection must be treated as:

- (1) protected taxes (as defined in IC 6-1.1-20.6-9.8); and
- (2) property taxes that are exempt from the levy limitations of IC 6-1.1-18.5.

(f) This section expires June 30, 2016."

Page 34, between lines 20 and 21, begin a new paragraph and insert:
 "SECTION 32. IC 36-7-14-15.5, AS AMENDED BY P.L. 119-2012, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15.5. (a) This section applies to a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

(b) In adopting a declaratory resolution under section 15 of this chapter, a redevelopment commission may include a provision stating that the redevelopment project area is considered to include one (1) or more additional areas outside the boundaries of the redevelopment project area if the redevelopment commission makes the following findings and the requirements of subsection (c) are met:

- (1) One (1) or more taxpayers presently located within the boundaries of the redevelopment project area are expected within one (1) year to relocate all or part of their operations outside the boundaries of the redevelopment project area and have expressed



an interest in relocating all or part of their operations within the boundaries of an additional area.

(2) The relocation described in subdivision (1) will contribute to the continuation of the conditions described in IC 36-7-1-3 in the redevelopment project area.

(3) For purposes of this section, it will be of public utility and benefit to include the additional areas as part of the redevelopment project area.

(c) Each additional area must be designated by the redevelopment commission as a redevelopment project area or an economic development area under this chapter.

(d) Notwithstanding section 3 of this chapter, the additional areas shall be considered to be a part of the redevelopment special taxing district under the jurisdiction of the redevelopment commission. Any excess property taxes that the commission has determined may be paid to taxing units under section ~~39(b)(4)~~ **(39)(b)(5)** of this chapter shall be paid to the taxing units from which the excess property taxes were derived. All powers of the redevelopment commission authorized under this chapter may be exercised by the redevelopment commission in additional areas under its jurisdiction.

(e) The declaratory resolution must include a statement of the general boundaries of each additional area. However, it is sufficient to describe those boundaries by location in relation to public ways, streams, or otherwise, as determined by the commissioners.

(f) The declaratory resolution may include a provision with respect to the allocation and distribution of property taxes with respect to one (1) or more of the additional areas in the manner provided in section 39 of this chapter. If the redevelopment commission includes such a provision in the resolution, allocation areas in the redevelopment project area and in the additional areas considered to be part of the redevelopment project area shall be considered a single allocation area for purposes of this chapter.

(g) The additional areas must be located within the same county as the redevelopment project area but are not otherwise required to be within the jurisdiction of the redevelopment commission, if the redevelopment commission obtains the consent by ordinance of:

- (1) the county legislative body, for each additional area located within the unincorporated part of the county; or
- (2) the legislative body of the city or town affected, for each additional area located within a city or town.

In granting its consent, the legislative body shall approve the plan of development or redevelopment relating to the additional area.



(h) A declaratory resolution previously adopted may be amended to include a provision to include additional areas as set forth in this section and an allocation provision under section 39 of this chapter with respect to one (1) or more of the additional areas in accordance with sections 15, 16, and 17 of this chapter.

(i) The redevelopment commission may amend the allocation provision of a declaratory resolution in accordance with sections 15, 16, and 17 of this chapter to change the assessment date that determines the base assessed value of property in the allocation area to any assessment date following the effective date of the allocation provision of the declaratory resolution. Such a change may relate to the assessment date that determines the base assessed value of that portion of the allocation area that is located in the redevelopment project area alone, that portion of the allocation area that is located in an additional area alone, or the entire allocation area."

Page 34, line 35, delete "(j);" and insert "(i);".

Page 35, line 5, delete "(j);" and insert "(i);".

Page 35, line 21, delete "(j)." and insert "(i)."

Page 35, line 26, delete "(j)." and insert "(i)."

Page 36, line 8, delete "A" and insert "**Subject to subsection (k), a**".

Page 36, line 12, delete "A" and insert "**Subject to subsection (k), a**".

Page 39, line 29, delete "(i)," and insert "(h),".

Page 40, delete lines 17 through 28.

Page 40, line 29, delete "(d)" and insert "(c)".

Page 40, line 36, reset in roman "commission".

Page 40, line 36, delete "fiscal body".

Page 40, line 39, reset in roman "commission".

Page 40, line 39, delete "fiscal body".

Page 41, delete line 1.

Page 41, line 2, delete "with the written notice."

Page 41, line 4, after "the" reset in roman "commission".

Page 41, line 4, delete "fiscal body".

Page 41, line 4, after "The" reset in roman "commission".

Page 41, line 4, delete "fiscal".

Page 41, line 5, delete "body".

Page 41, line 9, delete "(e)" and insert "(d)".

Page 41, line 17, delete "(f)" and insert "(e)".

Page 41, line 21, delete "(g)" and insert "(f)".

Page 41, line 25, delete "(h)" and insert "(g)".

Page 41, line 33, delete "(i)" and insert "(h)".

Page 42, line 23, delete "(j)" and insert "(i)".



Page 43, line 12, delete "(k)" and insert "(j)".

Page 43, between lines 26 and 27, begin a new paragraph and insert:

"(k) After June 30, 2014, a redevelopment commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:

(1) the aggregate geographic area included in allocation areas within the county would exceed twelve percent (12%) of the geographic area of the county; or

(2) the aggregate base assessed value included in allocation areas within the county would exceed twelve percent (12%) of the assessed value of property in the county;

unless each taxing unit wholly or partially located within the allocation area first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution."

Page 43, line 35, delete "39(j)" and insert "**39(i)**".

Page 47, line 4, delete "39(j)" and insert "**39(i)**".

Page 48, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 35. IC 36-7-15.1-26, AS AMENDED BY P.L. 112-2012, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~; (i); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a



declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection ~~(h)~~; **(i)**.

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~; **(i)**.

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

"Obligation" includes currently outstanding bonds, leases, and contracts.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment



commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) **Subject to subsection (k)**, a resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection ~~(i)~~ **(j)** may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. **Subject to subsection (k)**, a resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection ~~(i)~~ **(j)** in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
 - (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;
 - or



(B) the base assessed value;
shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.



(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

The special fund may not be used for operating expenses of the commission.

(4) Before July 15 of each year, the commission shall ~~do the following:~~ **conduct a public hearing. Notice of the hearing shall be given in accordance with IC 5-3-1. The commission shall also provide a copy of the notice to the department of local government finance and each taxing unit within an**



allocation area governed by the commission at least ten (10) days before the hearing. The notice must include:

- (A) estimated incremental revenues for the ensuing year;
- (B) estimated obligations to be paid for the ensuing year;
- (C) actual obligations paid in the previous year; and
- (D) estimated fiscal impact to the taxing units if:
 - (i) the commission captures the amount it intends to capture; and
 - (ii) the commission releases all incremental assessed valuation.

(5) At the close of the hearing, the commission shall:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection ~~(g)~~: **(h)**.

(B) Determine the tax increment replacement amount under IC 6-1.1-21.2-11.

(C) Present an estimate of tax increment revenues and financial obligations for the ensuing year.

~~(B)~~ **(c) Following the hearing, the commission shall** provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- ~~(i)~~ **(1)** state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~: **subsection (b)(1)**; or
- ~~(ii)~~ **(2)** state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~: **subsection (b)(1)**.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would



endanger the interests of the holders of bonds described in ~~subdivision (3)~~; **subsection (b)(3)**.

~~(c)~~ **(d)** For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

~~(d)~~ **(e)** Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection ~~(b)(4)~~; **(b)(5)**, be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

~~(e)~~ **(f)** Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

~~(f)~~ **(g)** Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise



zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

~~(h)~~ (i) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.



⊕ (j) The allocation deadline referred to in subsection (b) is determined in the following manner:

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:
 - (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
 - (B) specifically designates a particular date as the final allocation deadline.

(k) After June 30, 2014, the commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:

- (1) the aggregate geographic area included in allocation areas within the county would exceed ten percent (10%) of the geographic area of the county; or**
- (2) the aggregate base assessed value included in allocation areas within the county would exceed ten percent (10%) of the assessed value of property in the county;**

unless each designated taxing unit wholly or partially located within the redevelopment district first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution.

SECTION 26. IC 36-7-15.1-26.2, AS AMENDED BY P.L.172-2011, SECTION 153, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26.2. (a) As used in this section, "depreciable personal property" refers to all of the designated taxpayer's depreciable personal property that is located in the allocation area.

(b) As used in this section, "designated taxpayer" means a taxpayer designated by the commission in a declaratory resolution adopted or amended under section 8 or 10.5 of this chapter, and with respect to which the commission finds that:



(1) taxes to be derived from the taxpayer's depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service for bonds issued under section 17 of this chapter or to make payments on leases payable under section 17.1 of this chapter in order to provide local public improvements for a particular allocation area;

(2) the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing, distribution, transportation, or convention center hotel related projects or regulated amusement devices (as defined in IC 22-12-1-19.1) and related improvements; and

(3) the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects, other than an amusement park or tourism industry project.

For purposes of subdivision (3), a convention center hotel project is not considered a retail, commercial, or residential project.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 26(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property of designated taxpayers in accordance with the procedures and limitations set forth in this section and section 26 of this chapter. If such a modification is included in the resolution, for purposes of section 26 of this chapter the term "base assessed value" with respect to the depreciable personal property of designated taxpayers means the net assessed value of the depreciable personal property as finally determined for the assessment date immediately preceding:

(1) the effective date of the modification, for modifications adopted before July 1, 1995; and

(2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section ~~26(h)~~ **26(i)** of this chapter."

Page 51, line 13, strike "operating".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1266 as introduced.)

BROWN T, Chair

Committee Vote: yeas 16, nays 5.

HB 1266—LS 6991/DI 73



HOUSE MOTION

Mr. Speaker: I move that House Bill 1266 be amended to read as follows:

Page 26, line 4, after "counties" delete "." and insert "**and also has total annual appropriations of more than two million dollars (\$2,000,000).**".

Page 27, line 8, after "county" delete ";" and insert "**or, in the case of a public library that governs a taxing district within at least two (2) counties, has total annual appropriations of not more than two million dollars (\$2,000,000);**".

(Reference is to HB 1266 as printed January 28, 2014.)

NEGELE

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1266 be amended to read as follows:

Page 33, between lines 12 and 13, begin a new paragraph and insert:
 "SECTION 29. IC 10-19-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

Chapter 11. Public Safety Equipment Revolving Loan Fund

Sec. 1. As used in this chapter, "division" refers to the division of preparedness and training established by IC 10-19-5-1.

Sec. 2. As used in this chapter, "fund" refers to the public safety equipment revolving loan fund established by section 6 of this chapter.

Sec. 3. As used in this chapter, "public safety equipment" includes new or used equipment or apparatus for firefighting, law enforcement, emergency medical, or other emergency services.

Sec. 4. As used in this chapter, "purchaser" has the meaning set forth in IC 4-13-1-25(c).

Sec. 5. As used in this chapter, "qualified purchaser" means a purchaser that the division has approved for a loan from the fund.

Sec. 6. (a) The public safety equipment revolving loan fund is established to:

- (1) provide loans to purchasers for the purchase of public safety equipment; and**
- (2) pay the costs of administering this chapter.**



(b) The division shall administer the fund.

(c) The fund consists of the following:

(1) Amounts appropriated to the fund by the general assembly.

(2) Repayment proceeds, including interest, of loans made from the fund.

(3) Donations, grants, and money received from any other source.

(4) Amounts transferred to the fund under IC 22-14-6-9.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a fiscal year does not revert to the state general fund.

(f) The fund is subject to an annual audit by the state board of accounts. The cost of the audit shall be paid from the fund.

Sec. 7. (a) The division shall do the following:

(1) Establish the policies and procedures to be used in administering the fund.

(2) Specify the information that a purchaser must submit with a loan application.

(3) Establish a loan priority rating system.

(4) Prescribe the forms to be used in administering the fund.

(5) Prescribe the persons authorized to execute loan documents on behalf of a qualified purchaser.

(6) Take other actions necessary to implement this chapter.

(b) The executive director, in consultation with the division, may adopt rules under IC 4-22-2 to implement this section.

(c) The division may enter into contracts necessary to administer this chapter, including contracts for the servicing of loans.

Sec. 8. The total amount of loans under this chapter that may be outstanding at any time may not exceed five million dollars (\$5,000,000).

Sec. 9. The total amount of loans under this chapter that may be outstanding at any time to a single loan recipient may not exceed one hundred fifty thousand dollars (\$150,000).

Sec. 10. (a) The division shall do the following:

(1) Review and approve or disapprove applications for loans from the fund.

(2) Establish the terms of loans from the fund.

(3) Manage loans from the fund.



(b) The division shall review applications for loans from the fund on June 1 and December 1 of each calendar year. The deadline for submitting an application is:

- (1) May 17, to be eligible for review on June 1; or
- (2) November 16, to be eligible for review on December 1.

An application received after a deadline has passed is eligible for review on the next review date.

Sec. 11. (a) The division shall assign a loan priority rating to each application under this chapter.

(b) A loan priority rating must be assigned in conformity with the loan priority rating system established under section 7(a)(3) of this chapter.

(c) A loan priority rating that is assigned to an applicant must reflect the need of the applicant relative to the need of all other applicants during the same review period.

(d) The division shall make loans available to qualified purchasers in descending order beginning with the qualified purchaser with the highest loan priority rating.

Sec. 12. A loan under this chapter is subject to the following conditions:

- (1) The qualified purchaser may use the loan only for:
 - (A) the purchase of public safety equipment; and
 - (B) legal or other incidental expenses directly related to acquiring the public safety equipment.
- (2) The repayment period may not exceed seven (7) years.
- (3) The amount of the loan may not be less than ten thousand dollars (\$10,000).
- (4) The interest rate is to be set by the state board of finance at a rate that is not more than two percent (2%) below the prime bank lending rate prevailing at the time the application is approved.
- (5) All interest reverts to the fund.
- (6) The loan must be repaid in installments, including interest on the unpaid balance of the loan.
- (7) The repayment of principal may be deferred for a period not to exceed two (2) years.
- (8) The repayment of the loan may be limited to a specified revenue source of the recipient. If the repayment is limited under this subdivision, the repayment:
 - (A) is not a general obligation of the recipient; and
 - (B) is payable solely from the specified revenue source.
- (9) The loan is not subject to a prepayment penalty.



(10) The division shall have a security interest for the balance of the loan, accrued interest, penalties, and collection expenses in the public safety equipment purchased with the proceeds of the loan.

(11) Any other conditions the division considers appropriate.

Sec. 13. Notwithstanding any other law, a loan to a qualified purchaser under this chapter may be directly negotiated with the division without public sale of bonds or other evidences of indebtedness of the qualified purchaser.

Sec. 14. Before applying for a loan under this chapter, a purchaser must obtain the approval of the fiscal unit of the purchaser, or the fiscal unit that contracts with the purchaser, if:

- (1) the fiscal unit provides more than twenty-five percent (25%) of the purchaser's revenue in the year the purchaser applies for the loan; and
- (2) any part of the loan will be repaid from funds paid to the purchaser by the fiscal unit.

Sec. 15. A loan from the fund does not constitute the lending of credit by the state for purposes of any other statute or the Constitution of the State of Indiana.

Sec. 16. If a qualified purchaser fails to repay a loan under this chapter or is in any way indebted to the fund for any amount incurred or accrued, the amount payable may be recovered in an action by the state on relation of the department that is prosecuted by the attorney general in the circuit or superior court of the county in which the recipient is located.

SECTION 30. IC 22-14-6-8 IS REPEALED [EFFECTIVE JULY 1, 2014]. Sec. 8: (a) Notwithstanding the repeal of IC 22-14-5, the firefighting and emergency equipment revolving loan fund established by IC 22-14-5-1 (before its repeal) remains in existence after June 30, 2007, if any money remains in the fund on June 30, 2007. Money that remains in the firefighting and emergency equipment revolving loan fund on June 30, 2007, does not revert to the state general fund. Deposits or transfers may not be made to the firefighting and emergency equipment revolving loan fund; and new loans may not be made from the firefighting and emergency equipment revolving loan fund after June 30, 2007.

(b) Money remaining in the firefighting and emergency equipment revolving loan fund on June 30, 2007, must be transferred before August 1, 2007, to the fund.

(c) If money in the firefighting and emergency equipment revolving loan fund is transferred under subsection (b), the firefighting and



emergency equipment revolving loan fund is abolished immediately after the transfer under subsection (b) is completed.

(d) Notwithstanding the repeal of IC 22-14-5, if a loan provided under IC 22-14-5-1 (before its repeal) remains outstanding on June 30, 2007, the qualified entity to whom the loan was provided shall repay the loan, subject to the original terms and conditions of the loan, to the department of homeland security established by IC 10-19-2-1 for deposit in the fund.

(e) This section expires on the later of the following:

(1) August 1, 2007.

(2) The date on which the last outstanding loan provided under IC 22-14-5-1 (before its repeal) is repaid to the department of homeland security under subsection (d).

SECTION 31. IC 22-14-6-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 9. (a) Not later than December 1, 2014, the division shall transfer from the fund to the public safety equipment revolving loan fund established by IC 10-19-11-6 an amount equal to the amount of any loan repayments deposited in the fund under section 8(d) of this chapter (before its repeal).**

(b) This section expires on the earlier of the following dates:

(1) The date on which the transfer described in subsection (a) is complete.

(2) January 1, 2015."

Page 63, between lines 8 and 9, begin a new paragraph and insert:
"SECTION 44. IC 36-8-12-13, AS AMENDED BY P.L.208-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 13. (a) Except as provided in subsection (b), the volunteer fire department that responds first to an incident may impose a charge on the owner of property, the owner of a vehicle, or a responsible party (as defined in IC 13-11-2-191(e)) that is involved in a hazardous material or fuel spill or chemical or hazardous material related fire (as defined in IC 13-11-2-96(b)):**

(1) that is responded to by the volunteer fire department; and

(2) that members of that volunteer fire department assisted in extinguishing, containing, or cleaning up.

A second or subsequently responding volunteer fire department may not impose a charge on an owner or responsible party under this section, although it may be entitled to reimbursement from the first responding volunteer fire department in accordance with an interlocal or other agreement.

(b) A volunteer fire department that is funded, in whole or in part:



(1) by taxes imposed by a unit; or

(2) by a contract with a unit;

may not impose a charge under subsection (a) on a natural person who resides or pays property taxes within the boundaries of the unit described in subdivision (1) or (2), unless the spill or the chemical or hazardous material fire poses an imminent threat to persons or property.

(c) The volunteer fire department shall bill the owner or responsible party of the vehicle for the total dollar value of the assistance that was provided, with that value determined by a method that the state fire marshal shall establish under section 16 of this chapter. A copy of the fire incident report to the state fire marshal must accompany the bill. This billing must take place within thirty (30) days after the assistance was provided. The owner or responsible party shall remit payment directly to the governmental unit providing the service. Any money that is collected under this section may be:

(1) deposited in the township firefighting fund established in IC 36-8-13-4;

(2) used to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment;** or

(3) used for the purchase of equipment, buildings, and property for firefighting, fire protection, and other emergency services.

(d) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana law and the fire marshal's schedule of fees.

(e) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(f) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

(g) The volunteer fire department may maintain a civil action to recover an unpaid charge that is imposed under subsection (a) and may, if it prevails, recover all costs of the action, including reasonable attorney's fees.

SECTION 45. IC 36-8-12-16, AS AMENDED BY P.L.208-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. (a) A volunteer fire department that provides



service within a jurisdiction served by the department may establish a schedule of charges for the services that the department provides not to exceed the state fire marshal's recommended schedule for services. The volunteer fire department or its agent may collect a service charge according to this schedule from the owner of property that receives service if the following conditions are met:

- (1) At the following times, the department gives notice under IC 5-3-1-4(d) in each political subdivision served by the department of the amount of the service charge for each service that the department provides:
 - (A) Before the schedule of service charges is initiated.
 - (B) When there is a change in the amount of a service charge.
- (2) The property owner has not sent written notice to the department to refuse service by the department to the owner's property.
- (3) The bill for payment of the service charge:
 - (A) is submitted to the property owner in writing within thirty (30) days after the services are provided;
 - (B) includes a copy of a fire incident report in the form prescribed by the state fire marshal, if the service was provided for an event that requires a fire incident report;
 - (C) must contain verification that the bill has been approved by the chief of the volunteer fire department; and
 - (D) must contain language indicating that correspondence from the property owner and any question from the property owner regarding the bill should be directed to the department.
- (4) Payment is remitted directly to the governmental unit providing the service.
- (b) A volunteer fire department shall use the revenue collected from the fire service charges under this section:
 - (1) for the purchase of equipment, buildings, and property for firefighting, fire protection, or other emergency services;
 - (2) for deposit in the township firefighting fund established under IC 36-8-13-4; or
 - (3) to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment.**
- (c) Any administrative fees charged by a fire department's agent must be paid only from fees that are collected and allowed by Indiana



law and the fire marshal's schedule of fees.

(d) An agent who processes fees on behalf of a fire department shall send all bills, notices, and other related materials to both the fire department and the person being billed for services.

(e) All fees allowed by Indiana law and the fire marshal's fee schedule must be itemized separately from any other charges.

(f) If at least twenty-five percent (25%) of the money received by a volunteer fire department for providing fire protection or emergency services is received under one (1) or more contracts with one (1) or more political subdivisions (as defined in IC 34-6-2-110), the legislative body of a contracting political subdivision must approve the schedule of service charges established under subsection (a) before the schedule of service charges is initiated in that political subdivision.

(g) A volunteer fire department that:

- (1) has contracted with a political subdivision to provide fire protection or emergency services; and
- (2) charges for services under this section;

must submit a report to the legislative body of the political subdivision before April 1 of each year indicating the amount of service charges collected during the previous calendar year and how those funds have been expended.

(h) The state fire marshal shall annually prepare and publish a recommended schedule of service charges for fire protection services.

(i) The volunteer fire department or its agent may maintain a civil action to recover an unpaid service charge under this section and may, if it prevails, recover all costs of the action, including reasonable attorney's fees.

SECTION 46. IC 36-8-12-17, AS AMENDED BY P.L.208-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 17. (a) If a political subdivision has not imposed its own false alarm fee or service charge, a volunteer fire department that provides service within the jurisdiction may establish a service charge for responding to false alarms. The volunteer fire department may collect the false alarm service charge from the owner of the property if the volunteer fire department dispatches firefighting apparatus or personnel to a building or premises in the township in response to:

- (1) an alarm caused by improper installation or improper maintenance; or
- (2) a drill or test, if the fire department is not previously notified that the alarm is a drill or test.

However, if the owner of property that constitutes the owner's residence



establishes that the alarm is under a maintenance contract with an alarm company and that the alarm company has been notified of the improper installation or maintenance of the alarm, the alarm company is liable for the payment of the fee or service charge.

(b) Before establishing a false alarm service charge, the volunteer fire department must provide notice under IC 5-3-1-4(d) in each political subdivision served by the department of the amount of the false alarm service charge. The notice required by this subsection must be given:

- (1) before the false alarm service charge is initiated; and
- (2) before a change in the amount of the false alarm service charge.

(c) A volunteer fire department may not collect a false alarm service charge from a property owner or alarm company unless the department's bill for payment of the service charge:

- (1) is submitted to the property owner in writing within thirty (30) days after the false alarm; and
- (2) includes a copy of a fire incident report in the form prescribed by the state fire marshal.

(d) A volunteer fire department shall use the money collected from the false alarm service charge imposed under this section:

- (1) for the purchase of equipment, buildings, and property for fire fighting, fire protection, or other emergency services;
- (2) for deposit in the township firefighting fund established under IC 36-8-13-4; or
- (3) to pay principal and interest on a loan made by the department of homeland security established by IC 10-19-2-1 or a division of the department for the purchase of new or used firefighting and other emergency equipment or apparatus, **including a loan made from the public safety equipment revolving loan fund under IC 10-19-11 for the purchase of public safety equipment.**

(e) If at least twenty-five percent (25%) of the money received by a volunteer fire department for providing fire protection or emergency services is received under one (1) or more contracts with one (1) or more political subdivisions (as defined in IC 34-6-2-110), the legislative body of a contracting political subdivision must approve the false alarm service charge established under subsection (a) before the service charge is initiated in that political subdivision.

(f) A volunteer fire department that:

- (1) has contracted with a political subdivision to provide fire protection or emergency services; and
- (2) imposes a false alarm service charge under this section;



must submit a report to the legislative body of the political subdivision before April 1 of each year indicating the amount of false alarm charges collected during the previous calendar year and how those funds have been expended.

(g) The volunteer fire department may maintain a civil action to recover unpaid false alarm service charges imposed under this section and may, if it prevails, recover all costs of the action, including reasonable attorney's fees."

Renumber all SECTIONS consecutively.

(Reference is to HB 1266 as printed January 28, 2014.)

MACER

HOUSE MOTION

Mr. Speaker: I move that House Bill 1266 be amended to read as follows:

Page 53, between lines 19 and 20, begin a new paragraph and insert:

""Designated taxing unit" means a municipality, a township, a school corporation, a library, a public transportation corporation, and a health and hospital corporation."

Page 62, reset in roman lines 6 through 21.

(Reference is to HB 1266 as printed January 28, 2014.)

PRYOR

